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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29 Friday October 7 1983 D 8523 B

South Africa: high cost of a siege mentality, Page 19

NEWS SUMMARY

GENERAL

Drastic plan for Israel's economy

Mr Yitzhak Shamir, Prime Minister designate of Israel, has told the treasury to prepare a drastic new policy to halt the economy's slide.

If the Knesset approves Shamir's coalition on Monday, the Cabinet is expected to begin talks on the programme almost immediately.

It is likely to include a $1bn cut in the budget, sharp reductions in government subsidies on basic commodities and an attempt to break the link between wages and the cost of living. Page 4

Niger coup foiled

Troops loyal to President Seyni Kountche of Niger foiled a coup attempt by a group of armed men while the head of state was at a summit meeting in France.

Japan jumbo fire

A fire broke out in the passenger cabin of a Japan Air Lines jumbo jet on a flight from New York to Tokyo but was extinguished. No one was hurt.

Lawyers march

Several hundred lawyers marched through Lahore, Pakistan, in protest at the martial law regime of General Zia-ul-Haq. Page 4

Chile demonstration

Chilean police firing tear gas and water cannon dispersed thousands of anti-government demonstrators attempting to march to La Moneda presidential palace. Page 5

Border guns to go

East Germany is to remove the 54,000 automatic weapons mounted on the border which are intended to prevent escapes to West Germany.

Lebanon bomb death

Hussein Hassan Wehbe, commander of an Israeli-backed local militia in the southern Lebanese village of Aldoun, was killed in a car bomb explosion.

French knifings

Six members of one family were found dead of knife wounds at their home in Saint Martain-le-Noeud, south of Beauvais. A neighbour who found the bodies died of a heart attack after calling the police, who detained a butcher's apprentice.

Gold mine fire

Five miners were killed and five were missing presumed dead in a fire at a gold mine owned by Anglo American Corporation about 160km south west of Johannesburg.

Golding wins Nobel

British novelist William Golding, 72, noted for his 1954 book Lord of the Flies, won the 1983 Nobel Prize for Literature. Page 3

Bahamas protest

Hundreds of people demonstrated outside parliament in Nassau after Bahamas Premier Lyndon Pindling refused to debate allegations of government involvement in the illegal drug trade.

Briefly...

Chinese airforce pilot died when his plane crashed as he tried to defect to Taiwan.

Cardinal Cooke, Catholic Archbishop of New York since 1968, died at 62.

Ireland's ban on divorce is to be challenged before the European Human Rights Commission in Strasbourg today.

Mozambique President Samora Machel arrives in Lisbon today.

BUSINESS

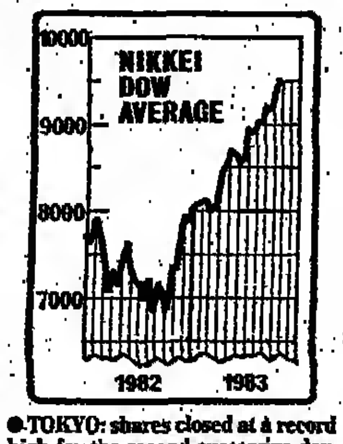
Interest rate fall boosts Wall St

● WALL STREET share prices surged again in hectic trading, bolstered by a further decline in U.S. short term interest rates. The Dow Jones industrial average broke its record set 11 days ago and by the close was up 18.68 points at 1,268.80. Report, Page 35. Full share prices, Pages 36-38

● DOLLAR fell to DM 2.5785 (DM 2.6), FFr 7.921 (FFr 7.945), SwFr 2.0935 (SwFr 2.103) and Y232.25 (Y233.25). Its Bank of England trade-weighted index was 125.7 (126.11). In New York it closed at DM 2.5832; FFr 7.9150; SwFr 2.0970 and Y232.72. Page 45

● STERLING rose 60 points to $1.4925 and rose to FFr 11.8175 (FFr 11.81), held at Y347 but fell to DM 3.85 (DM 3.8675) and SwFr 3.1275 (SwFr 3.13). Its trade-weighted index was 82.8 (82.6). In New York ist closed at $1.50. Page 45

● GOLD rose $2.5 in London to $395.375. In Frankfurt it rose $6.75 to $395.75 and in Zurich $6 to $395.5. In New York the Comex October settlement was $395.3 ($397.2). Page 44



● TOKYO: shares closed at a record high for the second successive day, boosted by the upturn on Wall Street. Nikkei Dow index gained 38.04 to 9,529.97 and the Stock Exchange index added 2.11 to 697.84. Report, Page 35. Leading prices, other exchanges, Page 38

● LONDON: the FT Industrial Ordinary index put on 3.6 to 711.4. Government Securities were slightly firmer. Report, FT Share Information Service, Page 39-41

● ENI, the Italian state energy group, called on the Government to make the oil market more attractive to foreign companies. Page 21

● FRENCH overseas development agency Caisse Ceotrale de Cooperation Economique launched a $100m warrant issue in the Eurodollar bond market.

● SPAIN'S Socialist Government gave its first assent to takeovers by foreign banks, approving a $36m deal by U.S. Citibank for Banco de Levante. Page 21

● EAST GERMANY intends to boost purchases of Austrian consumer goods from Sch 700m to Sch 1bn ($55m) next year. Page 6

● CHINA'S foreign exchange reserves increased 41 per cent to $13bn in the nine months to June. Page 4

● ARGENTINA released central bank president Julio Gonzalez del Solar, raising hopes of a settlemeot to its debt crisis.

COMPANIES

● KLÖCKNER-WERKE, West Germany's third largest steel producer, is to cut 1,100 jobs at Bremen.

● AUSTRALIAN tycoon Robert Holmes à Court is making headway with his bid for shares in Broken Hill Proprietary. Page 21

● MALAYAN UNITED Industries is selling its sugar refining interests for 70m ringgit ($30m). Page 22

Brussels in bid to cut EEC's butter surplus

BY JOHN WYLES IN BRUSSELS

The European Commission yesterday sparked off a sharp conflict with Britain, New Zealand and the European Parliament over its strategy for reducing the cost of the EEC's mountain of surplus butter when it presented plans which would increase the price of butter in the UK and reduce New Zealand's exports of butter to the Community.

In a series of proposals and decisions, the Commission revealed plans to:

● Abolish a consumer subsidy worth £80m to Britain, adding 21 cents to the price of a pound of butter in the UK.

● Clamp down still further on imports from New Zealand so that they will be 14 per cent or 12,000 tonnes lower by 1988.

● Refuse a European Parliament demand for a Christmas butter "give-away" of one packet for every two purchased.

The proposal to withdraw the butter subsidy by April 1 1985 will be strongly challenged by Britain as encouraging a further fall in butter consumption wheo Community stocks are at a record 868,000 tonnes – enough to circle the globe six times if the packets were laid end to end.

Officials concede that it is an expensive means of propping up sales but they challenge the Commission's assessment that it only produces an extra sale of 20,000 to 30,000 tonnes a year.

The British reaction is cited by Commission officials as a perfect example of the political obstacles to economising on the Common Agricultural Policy and making it more cost-effective.

All governments agree on the ends, but they refuse the means if national sacrifices are required, complains the Commission.

The New Zealand Government was yesterday reported to be disappointed and saddened by the Commissioo's demand for a further sacrifice on its exports to the UK. Stressing that the Community has too much of its own product to cope with, the Commission is proposing that the volume of New Zealand butter entering the EEC at a special low tariff should fall from 87,000 tonnes this year to 84,000 tonnes next year. It should then be reduced by 2,000 tonnes a year until 1988.

Some members of the Commissioo wanted to be eveo more restrictive but Vice-President Wilhelm Haferkamp and President Gastoo Thorn rallied a majority behind the final proposal.

The value of the exercise from the Community's point of view is limited by the fact that butter not shipped to EEC countries merely increases the oversupply on world markets. This will further weaken prices and increase the very high cost of subsidising the EEC's butter exports.

Moreover, it is essential to the EEC to maintain export co-operation with New Zealand wbich began four years ago

The main justification offered by the Commission for its proposal is that the overall fall in New Zealand shipments from 165,811 tonnes in 1973 to the new projected levels broadly matches the decline in the UK's butter consumption.

The Commission's most immediate political anxiety will be the European Parliament's reaction to its refusal to take up the "one-for-two" Christmas butter plan voted through in Strasbourg last month.

The anthor of the plan, Herr

Continued on Page 20

Moves to enforce free market in insurance

BY OUR BRUSSELS CORRESPONDENT

THE EUROPEAN Commission is launching cases at the European Court of Justice against France and Denmark aimed at removing national restrictions to EEC trade in non-life insurance services. It is also planning to start formal proceedings under the Treaty of Rome against Ireland.

The Commission is claiming that both France and Denmark are improperly applying a co-insurance directive passed in 1978 which will make it easier for insurance companies in the EEC to insure large risks together.

Little progress bas been made by the Council of Ministers on an eight-year old draft directive which is designed to remove the remaining barriers to freedom of services in insurance. The latest move by the Commission represents an attempt to gain legal enforcement of the free trade rights enshrined in the Treaty of Rome.

In implementing the co-insurance directive, France and Denmark have insisted that the lead insurer on risks which are shared between insurance companies should be based in the country where the risk is located. The Commission argues that this goes against the purpose of the directive and is a clear infringement of the Treaty of Rome.

Procedurally, the cases against France and Denmark are much further advanced than the efforts of Herr Franz Schleicher, a German insurance broker, to secure the right to insure his clients in markets outside Germany.

After being fined DM 18,000 in a German court for arranging policies on the London market, Herr Schleicher has complained to the Commission which has made preliminary contacts with the German Government on the issue.

But it will take several months before the Commission can formally conclude that German insurance regulations breach the Treaty and launcb a case at the European Court. Court hearings on the cases against France and Denmark, however, could well take place during the winter.

Meanwhile, the British Government is maintaining its efforts to secure passage of the controversial directive on non-life insurance services. Negotiations made some progress in the second half of 1981 but remain blocked by German reluctance to abandon national protection of insurance services and France's desire to secure its substantial revenues from a national tax on insurance premiums.

In the past week, the British have pressed to have the insurance directive included in the list of new policies which heads of government are expected to endorse for early adoption at the EEC summit in Athens in December.

Northern Telecom to move into UK telecommunications market

BY JASON CRISP IN LONDON

NORTHERN TELECOM, one of the leading North American telecommunications manufacturers, is to make a big investment in Britain to take advantage of the UK's newly liberalised telecommunications market.

Mr Walter Light, chairman and chief executive of the Canadian company, said in London yesterday he hoped the company would have sales of more than C$400m ($325m) and employ 2,500 people in the UK within five years.

One of the company's main thrusts will be to try to sell large digital public telephone exchanges to British Telecom (BT). Although BT has spent more than £300m ($450m) on developing its own family of digital exchanges, System X, it has indicated that it would consider buying a second system.

System X is being made by Plessey (the prime contractor for development) and GEC Telecommunications, part of General Electric Company. Until last year, Standard Telephones and Cables was also part of the System X programme.

Northern Telecom's entry into the UK market is particularly important because of its strong success in the U.S. The company was the first to supply American Telephone and Telegraph (AT&T) with public exchanges. AT&T has previously always been supplied by its manufacturing arm, Western Electric.

Northern Telecom has sales and orders for 14m digital lines of digital exchanges, which it claims is more than any other company. Its main competitors in international markets include CIT-Alcatel of France, Siemens of West Germany, ITT of the U.S. and LM Ericsson of Sweden.

Only about 30 per cent of Northern Telecom's revenues come from the depressed Canadian market. About 55 to 60 per cent come from the U.S. and the remaining 10 to 15 per cent from outside North America.

One of the keys to Northern Telecom's success was a decision in 1976 to move straight into a complete range of digital communications products. Most telecommunications manufacturers and authorities are moving rapidly towards digital technology. But Northern Telecom was the quickest to start delivering digital exchanges, both private and public.

Continued on Page 20

Kinnock on attack over welfare

By Peter Riddell, Political Editor, in London

MR NEIL KINNOCK, the new leader of Britain's Labour Party, yesterday made the National Health Service and the welfare state the centre-piece of the party's campaign to win back the political initiative from the Conservative government.

In his keynote speech to the Labour conference in Brighton, Mr Kinnock said that when he formally takes over the leadership this morning he will write to the Prime Minister demanding a House of Commons debate on the health service as quickly as possible after parliament returns on October 24. Ha argued that Labour would use parliament as "the national forum, the main weapon of democratic socialism."

Mr Kinnock, like the leaders of the Social Democrat and Liberal parties, believes that the Government has become politically vulnerable because of its recent handling of health service cuts. He will attempt to use the issue to revive Labour's previously lacklustre opposition in parliament. Ministers are aware of the sensitivity of the issue and will try to dampen down any criticism at the Conservative Party conference in Blackpool next week.

The 40-minute speech by Mr Kinoock was mainly intended to shift the terms of the political debate and was distinctly short on substantial policy points. This was deliberate since Mr Kinnock believes that Labour oeeds first to win the battle of political values since there is plenty of time before the next general election to "modernise policy".

Mr Kinnock concentrated oo distinguishing Labour from Conservative values. His argument was that patriotism and realism are oot Conservative monopolies. Patriotism, he said, had been betrayed by unemploymeot, by the withdrawal of educational opportunities and by the feckless waste of the Government. Instead be argued that Labour patriotism borrowed nothing from oostalgia and reflected the realism of democratic socialism which "did not accept the illusion of great power status."

He also challenged the government argument that improved public services could not be afforded until the economy is more efficient. Instead, be offered a simple Keynesian "Labour can rescue the country because it is willing to invest, willing to spend, willing to protect and willing to control the outflow of capital."

Continued on Page 20

French Dunlop unit files for bankruptcy

BY DAVID MARSH IN PARIS

THE FRENCH subsidiary of Britain's Dunlop rubber group yesterday filed for bankruptcy. The move sparked off accusations from the Paris Industry Ministry that the parent company had not made sufficient efforts to bail out the French concern.

M Laurent Fabius

The decision, which puts at risk about 5,500 jobs at Dunlop's five French plants, had seemed almost inevitable since last month's agreement by Sumitomo Rubber of Japan to buy Dunlop's British and West German tyre interests.

This effectively means that the French company – which, like the rest of the country's tyre sector, is heavily loss-making – has been cut adrift from the rest of the Dunlop group.

M Laurent Fabius, Industry Minister, had already made clear to the British Government his concern about Dunlop's attitude during a visit to London last month.

Yesterday's decision, announced after several days of rumours about the company's future, will accentuate the bitterness in Paris over Dunlop's action.

A ministry spokeswoman said yesterday that the Ministry was "oot very bappy" over the affair.

A meeting would take place at the ministry in mid-October with the company's unions and management to explore rescue possibilities, which could include the question of substituting another foreign partner.

The names of Goodyear and Michelin bave been linked to possible takeover plans for Dunlop's French plants.

Neither company, bowever, is likely to be interested in addiog to capacity in view of the world tyre malaise.

Dunlop France lost FFr 200m ($25.3m) last year oo turnover of FFr 1.7bo. It expects loses to be about the same in 1983.

Underlining the French Government's interest in keeping alive the Dunlop subsidiary, the Iodustry and Finance Ministries, together with the parent company, last year steered through a major financial rescue package designed to restore the company's fortunes.

The plan put up FFr 270m over three years in loans from banks and government agencies, with Dunlop UK undertaking to contribute a similar amount.

It is believed that not all Dunlop's contribution to the package has been paid.

In a communique announcing the bankruptcy filing, the Dunlop France management said yesterday that the parent company bad injected FFr 420m in aid since 1977.

But the sum had not enabled last year's restructuring plan to succeed because of the "unfavourable eovironment."

Dunlop France makes wheels, mattresses, teonis balls and other rubber products, apart from car tyres. Its two mainline tyre factories, employing about 4,000, which are most affected by lay-off threats, are at Montlucoo and Amiens.

They account for 17 per ceot of its total European tyre output.

The other Dunlop facilities in France are a wheel manufacturing plant at Le Bourget and a smaller unit nearby at Tergnier. The Dunlopillo mattress operation is based at Mantes La Joly, near Paris.

If the plants were to close, Dunlop would supply French demand from its wbeel factory at Coventry in the UK and from two Dunlopillo units, one near Harrogate, also in the UK, and the other at Hirwaun in Wales.

Production will continue for the moment. The bankruptcy filing amounts simply to drawing up legal procedures for settling the company's future rather than disposing of its assets, officials underlined yesterday.

FIRESTONE TIRE MOVE

Firestone Tire and Rubber of the U.S. has reached agreement with the majority shareholders of Spanish tyre manufacturer Firestone Hispania to take over full control of the company, which is to become its principal European operation. Page 21

CONTENTS

EUROPEAN NEWS

France's Mr Europe prepares to do battle with the British

David Housego interviews Andre Chandernagor on next year's EEC presidency

THE PROSPECT of a major battle over the reform of EEC finances and policies coinciding with France taking over the Presidency of the Council of Ministera is beginning to loom large on the horizons of French diplomacy.

"Either the problems of the European Community will be resolved" at the Athens summit of heads of government in December says M Andre Chandernagor, France's Minister for European Affairs. "Or the Community will enter a crisis, the first order just at the moment that France is taking over the Presidency of the Council of Ministers. That is important."

M Chandernagor has a pivotal role in co-ordinating French policies and tactics over Europe. A man of much charm and gusty laughter, he also has a biting Gallic tongue and a taste for diplomatic skirmishing.

Nobody in aParis doubts that if there is a showdown within the Community it will be like so many battles in the past — fundamentally between France and Britain. In French eyes, Britain has still to demonstrate that it is a full member of the European club. French officials quote with relish the recent jeu d'esprit of M Claude Cheyson, the Foreign Minister, who told other ministers that "Britain is the only member of the EEC which has not yet entered Europe."

For M Chandernagor there are more important issues fecing Europe than haggling over the Community budget and national rebates. He believes that Europe is lagging behind the U.S. and Japan both economically and industrially.

The French say that closing the gap requires more intensive collaboration between European companies, joint research programmes, the opening up of public sector procurement and a readiness to protect infant European high technology industries with external tariffs. These views were reflected in the recent French paper on new Community policies which overlaps with British views in a number of areas but which also came under fire for its protectionist passages. M. Chandernagor is unrepentent.

"Why not have a strategy," he asks, "that leans towards protecting infant industries? The Americans and the Japanese do it and we are behind them in this domain. Each time we propose it there is an outcry from Japan and tha U.S. But are we going to allow Europe to be skinned?"

For M. Chandernagor these are two different conceptions of Europe. "We joined a Community," ho says, "because as individual nations we felt lost after the war and we were in search of an identity in the world. The question is whether that perspective still holds true, or whether we want Europe to be a vast free trade zone lost in the free trada zone of the world and bit by bit losing its economic and cultural identity. If it is the latter, then it is no longer a Community. It is nothing."

As M Chandernagor sees it, in many of the high technology sectors of the future, Europe is already "in the position of being a sub-contractor." If Europe resigns itself to this as e permanent role, ho warns, "it is lost, for the Americans and the Jepanese will alwaya find subcontractors who are cheaper."

He shows scant respect for British Leyland, manufacturer of the largely Japanese designed Acclaim, which ho describes as "a Japanese subcontractor for at least part of its output." And he implicitly warns Britain against playing "the Trojan horse" within the EEC.

> Nobody in Paris doubts that if there is a showdown within the Community, it will be like so many battles in the past—fundamentally between France and Britain. In French eyes, Britain has still to demonstrate that it is a full member of the European club. In the words of the Foreign Minister: "Britain is the only member of the EEC which has not yet entered Europe."

On the tortuous negotiations now taking place in Brussels over the reform of Community finance and policies, M Chandernagor sees the tide running in France's favour.

He says that there is "an enormous majority" against the "safety net" (Britain's proposal —strongly opposed by France— for limiting the amount that it and other wealthier countries pay into the Commumty); a "very clear majority" against any "artificial" limit on agricultural spending (Britain's proposal to put a ceiling on the growth of CAP expenditure as a proportion of the growth in Community resources); and e "very large majority" in favour of dismantling "monetary compensatory amounts" (which French farmers say puts them et an unfair disadvantaga in Community farm trade).

M Chandernagor says France wants a limited increase in Community resources to carry it through the next ten years and to take eccount of enlargement. He describes the British view that there is a basic distinction between those EEC members (like France) which want to increase resources and those (like Britain) which want to limit expenditure as "Manichean," but in practice does not fully rebut it.

Increasing resources, he adds, depends on clearly defining what use will be made of the funds.

France also, he says, eccepts that EEC spending must be controlled. But it regards the British proposal for a ceiling on the growth of farm spending as a potential violation of Community law.

It also insists that limits on spending must encompass other areas of Community activity such as the structural funds from which Italy has strongly benefited. These funds, he says, are not justified by any EEC policies.

On ways of reducing the milk surplus—the CAP'a most controversial item — M Chandernagor underlines the differing concerns of Britain (with its large-scale producers) and France (with its numerous small farms). "We have 2m unemployed. If you want more that's your problem," ho says. "But I know that unless we provide small farmers with the minimum acceptable income they will disappear as producers and become unemployed. That is a problem."

Nonetheless M. Chandernagor gives the impression of some shift in French policy. He says that France is still in favour of a progressive co-responsibility tax which would reduce the milk surplus by penalising the large-scale producers. France is also studying the system of production quotas as proposed by the Commission.

He leaves no room for compromise with Britain over the "safety net" proposal, condemning it as similar to a contract in which both partners can withdraw what they put in. If there were any chance of it being accepted, France would push its own plan to limit both individual members' budget surpluses and deficits with the Community. But at the moment France sees merit in the Danish proposal for a "convergence" fund which is rejected by the UK.

French negotiating tactics appear to be to pressure the West Germans into supporting France in a showdown—a tactic the French have often used successfully — and isolating Britain as the odd man out. Nonetheless, there are good reasons for thinking that France itself would prefer to avoid a crisis at the Athens summit or afterwards.

M Chandernagor . . . a taste for diplomatic skirmishing

For as M. Chandernagor readily admits, the agenda of tha French presidency is already heavy. There are the issues of enlargement, negotiations on a third Lome Convention with developing countries, and talks with the U.S. on industrial and agricultural problems which threaten to spark a trade war. Beyond Community discussions, there will be the uncertainty in Europe surrounding deployment of new U.S. nuclear missiles.

The first six months of next year will not be easy.

Swiss lay bank secrecy charges

By John Wicks in Zurich

TWO FORMER employees of the Union Bank of Switzerland have been charged with economic espionage and contravention of bank secrecy rules. This follows French Government moves to breach Swiss banking secrecy apparently on the basis of decoded account lists.

The investigations by the Swiss authorities go back to April, when the Bank pressed charges against the two men, who were held temporarily on remand.

One of the two, said to be the "main suspect," has since gone abroad. The bank alleges he had admitted stealing six process tapes from its Lausanne branch and passing them to the French customs. It also claims he had been promised a "large sum" by the French should the tapes prove useful.

According to the bank, the tapes were part of the "operational software" of the computer system and contained no details of either clients or accounts. It continues to insist that there is no proof that the French customs have computer tapes giving such details.

The bank is continuing internal investigations but says that no loss of this kind has yet been discovered.

The Geneva public prosecutor has also confirmed that investigations have been in progress for several months following allegations that "certain Geneva banks" might have broken bank secrecy. They are investigating, too, whether Swiss bank clients might have been under surveillance by French authorities.

Record losses in non-life insurance

By Our Zurich Correspondent

UNDERWRITING losses on non-life insurance are running at record levels, according to the Swiss Reinsurance Company.

In a survey of 10 netional markets together accounting for some 95 per cent of the total premium volume of the non-Communist world, the Zurich-based company says that underwriting results were in the red in every country in 1981. This is the first time this has been the case since Swiss Reinsurance began regular reporting on the subject 20 years ago.

Record loss ratios were recorded in almost every country, with only UK domestic business and Spain showing a slight decline in losses over the previous year. The two important insurance centres — Britain and Switzerland — have suffered underwriting losses on their non-life business over the entire five-year period from 1977 to 1981.

The report adds that underwriting results deteriorated further last year in most countries, according to available data. This is attributed to what Swiss Reinsurance calls an accumulation of negative influences, including "complex production processes with a high concentration of values," as well as increased frequency and severity of natural catastrophes, more stringent legislation and court practice at the expense of the insurance industry and growing crimes.

Official praise for Hungarian private sector

By Leslie Colitt in Berlin

HUNGARY'S Deputy Finance Minister, Dr Peter Medgyessy, has praised the growing private sector of the economy for its prodnctivity and suggested that patients needing special treatment and services should pay for them.

Private plots last year produced 34 per cent of agricultural output on 13 per cent of the land, he said. Production costs are lower, too.

More than 10,000 private manufacturing companies were also established last year employing 60,000 people.

Dr Medgyessy reforred to the wide use of tips and bribe money. It is an accepted fact, he said, that Hungarians, who are entitled to free medical treatment, show their "appreciation" with money or presents for having their "health restored."

This could be altered by offering additional medical services and special treatment for a set fee, he said.

Progress threatens Ireland's peat bogs

BY BRENDAN KEENAN IN DUBLIN

THE DEVELOPMENT of Ireland's peat bogs could be threatened because the country's electricity supply board, ESB, will shortly find itself with more than twice the generating capacity it needs.

The sight of peat-fired power stations looming up from the flat boglands is a distinctive feature of the Irish midlands. But the ESB, in a five-year strategic plan submitted to the Government, is believed to have suggested that most of them should be closed.

The Republic has moved rapidly from an energy shortage during the 1970s to an embarrassing surplus of electricity capacity, with serious cost implications for the 1990s when much of tho borrowing for the new power stations will be due for repayment.

Peat provides ebout 14 per cent of the country's electricity, and it is an important source of employment in rural counties with little other industry. Over 2,000 people are employed directly in tho work by Bord na Mona, the Irish peat board, which has invested heavily in mechanical extraction from hundreds of square miles of bogland.

Bord na Mona's business would be devastated if tha power stations closed. About three-quarters of its milled peat production goes for electricity generation and there is no obvious elternative in the short-term. In the longer term, a report on energy requirements published this week suggested that the use of peat for generation would fall by half by the year 2000 and would be more economically used in combined heat and power stations.

That is little consolation for the inhabitants of small villages like Rhode, County Offaly, where the 80 megawatt power station is one of tha few sources of employment. Bord na Mona itself has bank borrowing of I£9m and there seems little chance that the Irish Government will allow the peat-fired stations to close.

Something, however, will have to give. The ESB is building e 900-mw coal-fired station at Moneypoint on the west coast of Ireland and the first 300 mw unit is due to be commissioned in 1985. When completed in 1987 the full three-unit station will generate twice as much electricity as all the peat-fired stations combined.

Irish industrialists already complain that their electricity charges are among the highest in Europe. This is in spite of the fact that a third of the electricity last year was generated from natural gas, at cost per unit less than half that of oil.

Electricity demand grew in the Republic et a remarkable 8 per cent per year during the 1970s, and ESB has been caught by the speed of the subsequent slump, which has seen demand remain static for three years.

The possible discovery of more gas off the south coast could reduce the market for electricity still further, yet the ESB admits it needs a return to growth of between 3 per cent and 5 per cent per annum if fixed costs are not to have a disproportionate effect on future electricity prices.

Some economists, such as Dr Sean Barrett of Trinity College, Dublin, believe the Moneypoint project should be stopped.

However, coal is still an attractively priced fuel and much of the capital expenditure on Moneypoint has already been committed. Whatever happens, rural MPs are determined that the peat-fired stations will stay.

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EUROPEAN NEWS

Walesa confirms moderate approach

By Christopher Bobinski in Gdansk

MR LECH WALESA, leader of Poland's banned Solidarity union, yesterday reiteraled his commilment to non-violent, moderate methods of compelling the authorllies to adopt concilitalory policies.

"Our methods must be peaceful and effective," he said at a news conference in Gdansk, celebrating his Nobel Peace prize.

Outside, a faithful knot of admirers waited with flowers fo. Mr Walesa and chanted his name when he emerged from the meeting at which he reminded journalists that there were still political prisoners in Poland—a fact "of which I am ashamed."

The award, he said, "is for all Poles," and he confirmed that he would give the $200,000 prize money to the Roman Catholic Church's fund for Polish agriculture. "I only lrust the episcopate and they will make sure it gets to the farmers who in the end feed us all."

In a sign, however, that he will continue to adopt a low profile, he said he would go to the counlry for the next three days. This will take him out of Gdansk tomorrow which is the first anniversary of the banning of Solidarity.

Mr Walesa repeated that Poland was condemned to dialogue and that sooner or later the aulhorities would sit down at the table to pull the country out of its crisis "without any fights."

AUTHOR OF 'LORD OF THE FLIES' EARNS LITERATURE AWARD

Golding wins Nobel Prize

BY KEVIN DONE IN STOCKHOLM

MR WILLIAM GOLDING, the English writer well known for his best-selling first novel Lord of the Flies, was yesterday awarded the 1983 Nobel Prize for Literature, worth SKr 15m ($190,000).

Mr Golding is the first Englishman to win the literature prize since Sir Winston Churchill in 1953.

The 18-member Swedish Academy, which awards the literature prize, said yesterday that Mr Golding had been selected "for his novels which, with the perspecuity of realistic narrative art and the diversity and universality of myth, illuminate the human condition in the world of today."

Mr Golding, the son of a well-known educationalist, was born in Cornwall, in south-west England, in 1911. After leaving Oxford University in 1934 he worked in small theatre companies as writer, actor and producer before becoming a teacher in the years before and after the Second World War.

During the war, he served in the Royal Navy, taking part in several actions such as the sinking of the Bismarck, the German battleship, and the Normandy landings, experiences which have left clear traces in his later writings.

He decided at the age of seven that he wanted to be a writer but apart from a collection of poems issued in 1934, it was not until 1954, at the age of 43, that he published his first best-selling novel Lord of the Flies.

Since then he has published seven novels, the latest was Rites of Passage in 1980 – a collection of short stories, and several plays, essays and articles – which won the Booker Prize for Fiction.

Mr Golding's novels have for some time been standard texts in schools and universities. Their sale permitted him to give up teaching and devote his working life to writing. He lives near Salisbury.

One of his best novels The Spire (1965) is concerned with the building of a cathedral in mediaeval England.

Mr Golding's work is marked by a high degree of originality and a pervading sense of evil which befalls perfectly ordinary and innocent people.

The Academy said Mr Golding's novels were not all "sombre moralities and dark myths about evil and treacherous, destructive forces."

Spain approves abortion

By David White in Madrid

A BILL legalising abortion in certain instances – the most hotly contested piece of legislation in 10 months of socialist government in Spain – was approved last night, without amendment, in the Cortes (Parliament).

The right-wing opposition Alianza Popular Party, which voted en bloc against the liberalisation measure, will now seek to overthrow it through the constitutional court.

Abortion will become legal under three circumstances: pregnancies resulting from rape, malformation of the foetus, and grave danger to the mother's life or health.

The closing stages of the debate have been marked by two days of angry demonstrations outside the parliament by feminist groups campaigning for unrestricted, cost-free abortion. Some 50 demonstrators were detained on Wednesday night.

The abortion law has polarised Spanish opinion and has been fiercely opposed by the Catholic Church after its setback two years ago with the legalisation of divorce under the previous centrist administration.

Spain is among the last European countries to enforce an outright ban on abortion, with the result that thousands of Spanish women travel abroad each year to countries such as England, where according to official figures as many as 20,000 of them had abortions performed in 1981.

A long list of proposed amendments to the bill – either restricting or increasing its scope – were all turned down, leaving the law unchanged from when it started being debated in May.

French franc weakens to limit against D-Mark

BY DAVID HOUSEGO IN PARIS

THE FRENCH FRANC weakened further yesterday, falling for the first time since the devaluation of last March to below its mid-way point in the EMS.

The French currency was traded in Paris at FFr 3.0705 against the D-Mark, compared with a pivot rate of FFr 3.0674.

Within a month, it has thus fallen the 2.25 percentage points that separate its ceiling in the EMS from the central rate.

Dealers see the relatively rapid slippage as being primarily due to the weakness of the dollar, which has in turn strengthened the D-Mark.

The franc's fall after six months of virtually unchanged parity against the D-Mark also in part makes good some of the growing differential between French and German inflation rates.

Dealers yesterday saw no intervention by the Bank of France to support the franc at the pivot rate as occured during much of last year.

The authorities now seem more confident that the government's anti-inflationary policies will prevent any immediate run on the French currency, and that, in any case, the pendulum could swing back towards a stronger dollar.

M Jacques Delors, French Finance Minister, indicated yesterday that he was unworried by the franc's weakness. He said that France had much to gain from a decline in the dollar.

Although dealers recognise that there will have to be a further realignment within the EMS to offset differences in inflation rates, they do not see this as occurring before early next year. But the next few days are likely to be worrying for the French authorities.

'Build-down' plan put at Geneva

GENEVA—U.S. negotistors yesterday presented President Ronald Reagan's "build-down" proposal for reducing inter-continental nuclear weapons to the Soviet Union at the resumption of strategic arms reduction (Start) talks in Geneva.

Moscow, through its official news agency Tass, had already denounced the latest offer as a cover masking U.S. intentions to achieve military superiority.

Mr Edward Rowny, the chief U.S. negotiator, said he would be bringing the full proposal to the Soviet delegation after a private meeting on Wednesday with Mr Victor Karpov, head of the Soviet delegation.

The build-down idea means essentially that old missiles would be withdrawn faster than new ones deployed.

Agencies

Former Bonn correspondent of FT dies

JULIUS HOLLOS, Bonn correspondent of the Financial Times from 1949 until 1956, has died at his London home aged 79.

Mr Hollos achieved the unusual feat of acquiring journalistic distinction in two languages, German and English, neither of which was native to him. He was born at Timisoara, then Temesvar, in pre-First World War Hungary, but grew up in Vienna. After a brief business career he took to journalism in inter-war Berlin and, after emigrating when the Nazis took over, wrote for Prager Tagblatt, a German-language daily.

During the Second World War, Mr Hollos served in British political intelligence and, subsequently, became editorial controller of Die Welt, then a Hamburg daily sponsored by the British Military Government. He resigned in 1948 because he felt British influence over the paper ought to be checked.

As Financial Times Correspondent, Mr Hollos provided what was the first full insight for a British readership into the workings of West German industry.

The German business establishment may not have found him a comfortable contemporary, but respected him greatly.

Upon leaving the newspaper, Mr Hollos returned to Die Welt, which had become part of the Axel Springer publishing concern, as a deputy editor. Later he moved on to he editor of SAD, a Springer feature service.

Dunlop dispute stops Ford's plant in Cork

By Brendan Keenan in Dublin

THERE ARE fears for the future of Ford's plant in Cork after redundant workers from the nearby Dunlop factory voted against accepting the company's severance pay terms.

The workers have occupied the Dunlop factory, which closed last week, and have cut off steam supplies to Ford. Ford depends on the steam for the power supply to its paint shop.

Union spokesmen said a secret ballot had overwhelmingly rejected Dunlop's offer of I£5m (about £4m) for the 700 workers. The Ford plant, which produces 80 Sierras a day, mostly for export, has been shut down since Tuesday and half the 1,100 workforce laid off.

The Irish Minister for Labour, Mr Liam Kavanagh, yesterday appointed a mediator and appealed to both sides to meet with the mediator and not to do anything which would escalate the dispute

Dunlop has said its offer of I£5m, which would give I£7,000 to the longest-serving workers, will be withdrawn if the workers continue their occupation after 6 pm today.

The small size of the Ford plant by European standards has led to fears that it might be closed when Ireland's restrictions on imports of fully built-up cars cease next year.

However, Ford recently invested I£9m to equip the plant for Sierra production, with the aid of grants from the Irish Industrial Development Authority.

Machel begins Portugal visit

By Diana Smith in Lisbon

THE FIVE DAY state visit to Portugal of President Samora Machel of Mozambique which begins today is seen as a landmark in the relationship between Portugal and its former colony. Sr Machel is on a long West European tour in search of foreign aid and investment.

The former guerrilla leader, whose Frelimo liberation movement waged a fierce ten-year battle against the Portuguese colonial army, has in the last two years received visits of the Portuguese head of state Gen Antonio Ramalho Eanes and former premier Francisco Pinto Balsemao and the time seemed ripe for new political, commercial and even military ties.

OVERSEAS NEWS

Bankers' worries grow as Manila sinks into red

BY CHRISTOPHER SHERWELL, SOUTH-EAST ASIA CORRESPONDENT

BANKERS IN MANILA, Hong Kong and Singapore expressed shock and surprise yesterday at the unexpectedly dramatic growth in the Philippines' overall balance of payments deficit, the principal factor behind the government's sudden 21.45 per cent devaluation of the peso on Wednesday.

The figure of $1.3bn (£878m) for the first nine months of 1983 is so much worse than the most pessimistic estimates that some bankers are wondering openly whether existing policy tools are now sufficient to correct the path of the country's weakened economy.

This has serious implications both for the present IMF austerity programme and for the political standing of President Ferdinand Marcos, the country's autocratic ruler.

For Mr Marcos, besieged by more than six weeks of demonstrations over the assassination of opposition leader Benigno Aquino, the devaluation — the second in three months — is another painful political body blow. On Monday President Ronald Reagan, his closest foreign ally, decided to call off his controversial visit to Manila, set for next month.

The worst estimates of the overall balance of payments deficit for the whole of calendar year 1983 has foreseen a figure no higher than $1bn, a level which already acknowledged that the Government's target of $598m, set under the IMF programme, would not be met.

Yet when the central bank announced its new guiding rate for the peso of 14 to the U.S. dollar (from 11.001 to the dollar), it disclosed a payments figure for the first nine months of the year which showed a widening of more than $700m in the past three months alone.

Bankers agreed yesterday that they needed to know the precise breakdown of third quarter performance in order to judge reliably what had happened. Details of this are not expected for at least a fortnight.

The central bank's statement on Wednesday was less than clear. Exports were recovering significantly, it said, but imports had not slowed down as much as expected. It pointed also to the impact of the persistently strong dollar, of speculation against the peso and the slowdown in the inflow of loans on capital account, in line with the Government's policy of reducing foreign indebtedness.

Bankers offered the following possible explanations of the transformation in the payments picture:

- An upsurge of imports all year in anticipation of a depreciation and probable devaluation of the peso; and the failure of import control measures to bite.
- A failure on the export front, despite healthy order books, because of a possible systematic under-invoicing of exports by businessmen of dubious reputation.
- A refusal by smaller banks to renew short-term credit lines amounting to as much as $300m, together with the failure of up to $300m in medium- and long-term capital to materialise as hoped.
- A flight of capital since Mr Aquino's assassination on a scale larger than the $200m already acknowledged by Mr Cesar Virata, the Prime Minister and Finance Minister. This figure, one banker points out, is "legal" capital flight, and would not include amounts leaving the country through the black market, where the peso rate climbed as high as 15 to 16 to the dollar prior to the devaluation.

It is certain that the scale of the payments gap demands tough counter-action while the Philippines is locked in delicate negotiations with the IMF for the release of further tranches under the present assistance programme. Talks are also under way on continuation of the programme in 1984.

Behind the austere conditions attached to the loan package from the IMF was a recognition that the Marcos Government had failed in its attempts to use a counter-cyclical economic policy to ride out the worst of the world recession with the smallest political cost at home.

This policy had seen the Government's budget deficit rise from little more than P1bn (£62m) in 1980 to P14.4bn in 1982, and from an average of less than 1 per cent of gnp to more than 4 per cent. At the same time, foreign debt soared to $17bn last year, making the Philippines Asia's third largest debtor. Growth, meanwhile, sank to 2.5 per cent after an average of around 6 per cent in the 1970s. This year it is unlikely to exceed 2 per cent in real terms.

To his credit, President Marcos has been persuaded to administer the stiff dose of IMF medicine over the past nine months by Mr Virata, despite protests from some of his other associates who complained strongly at the way the programme pinched at spending they controlled.

Between January and September, he devalued the peso by 7.2 per cent, abandoned five key industrial projects to save $3bn, removed subsidies on oil products and clamped down on money supply growth. In addition he took several measures to limit imports and monitor the use of precious foreign exchange, and even encouraged Filipino workers abroad to channel more of their remittances through the banking system

OVERSEAS NEWS

Israel expected to launch economic rescue programme

BY DAVID LENNON IN TEL AVIV

MR YITZHAK SHAMIR, the Israeli Prime Minister-designate, has given the Treasury the green light to prepare wide-ranging measures designed to halt the deterioration of the economy.

If the Knesset (Parliament) approves his proposed coalition Government on Monday, his new Cabinet would be expected to start discussions almost immediately on the new programme, given the clear lack of faith displayed by the public this week in the management of the economy.

A $1bn budget cut, sharp reductions in government subsidies to basic commodities and an attempt to break the link between wages and the cost of living index are among the elements likely to be proposed by the Treasury.

Mr Shamir is hoping that the panic selling of shares by the public this week and the rush to buy dollars has convinced all members of his proposed coalition for the need for quick and firm action.

The economic issue would be the first major test for the Government, because Tami, one of the junior parties in the proposed coalition, threatened to quit the outgoing Government over planned cuts in the social welfare budget, and Tami leaders said yesterday they would only support new economic measures if the burden was shared equitably by all sectors of the public.

Trading on the Tel Aviv Stock Exchange was mixed yesterday, and the rush to the dollar eased, but, at $10m, the purchases were still above the seasonal daily average.

The heads of the commercial banks yesterday evening met Dr Moshe Mandelbaum, Governor of the Bank of Israel, the central bank, to seek assistance in overcoming their liquidity problems. The banks have had to pump billions of shekels into the stock market to support their shares, which have come under heavy selling pressure from the public.

Treasury and Bank of Israel officials said yesterday that, while they would try to help the banks, they wanted them to raise interest on short-term savings deposits and reduce the yield on their shares.

The banks opposed these moves, calling on the central bank to ease liquidity regulations to enable them to use their own funds to support their shares rather than having to borrow abroad.

Tokyo government pulls off political coup

BY JUREK MARTIN IN TOKYO

THE JAPANESE Government appears to have pulled off a tactical coup in advance of the political convulsions that are expected to accompany next Wednesday's court verdict in the Lockheed bribery trial of Mr Kakuei Tanaka, the former Prime Minister.

A bargain struck with four of the smaller middle-of-the-road parties should ensure Lower House passage next Tuesday of six bills dealing with administrative reform, which Mr Yasuhiro Nakasone, the Prime Minister, has put at the top of his policy agenda.

Administrative reform basically means streamlining government operations. Over time, it is intended to lead to the privatisation of such profitable quasi-government entities as NTT, the telecommunications monopoly, as well as the restructuring of such chronic drains on the public purse as the national railway system.

Yet the Prime Minister faced the real risk of losing even the preliminary enabling legislation, which is what the six bills amount to if, as is quite possible, the Diet is brought to a standstill by demand that Mr Tanaka be ousted from parliament — assuming he is found guilty and does not voluntarily resign — and by equally sharp controversies on several other issues, including, until now, administrative reform.

The deal with the centre parties was achieved by the Government bending a little in its acceptance that specific administrative reform proposals should be made subject to systematic review by the Diet, though not to the point of requiring that a series of laws be enacted.

But the politics of the compact are much more significant than its substance. It demonstrated yet again that it is often easier for the ruling Liberal Democratic Party to cut deals with the centre.

The Socialist Party, in particular, was left out in the cold over administrative reform despite its recent attempt to mend fences with the centre.

In a speech yesterday, Mr Masashi Ishibashi, the new Socialist leader, made no bones of his desire to force a Diet dissolution and thus a general election "as soon as possible after October 12"—in other words, when the LDP is in bad public odour because of the Tanaka verdict.

But he also indirectly conceded that forging alliances with other parties was not easy. He predicted that the Socialists would head a coalition government "after two more elections" but, when pressed, was unable to say what its composition would be.

He explained that if, as he foresaw, the major issue of the future was the remilitarisation of Japan then the Socialists could make an alliance cutting across conventional party lines. But he skirted the question of concrete co-operation by the opposition in the weeks ahead.

Move towards Lebanon talks

BEIRUT—Efforts are under way to call representatives of Lebanon's warring factions to a preliminary meeting to pave the way for a wider conference.

The wider "national reconciliation conference" would convene by the middle of next week it was said by Beirut officials. The date has not been set, but the falangist Voice of Lebanon radio station said that the meeting would be held in Beirut next Thursday. Reuter.

'Substantial' oil find in Timor Sea

BY MICHAEL THOMPSON NOEL IN SYDNEY

TESTS carried out in the Timor Sea, 380 miles west of Darwin, off the north Australian coast, produced further signs yesterday of a potentially significant oil discovery.

The Jabiru No 1A oil find, owned by a consortium led by Broken Hill Proprietary (BHP), produced a flow yesterday of up to 3,616 barrels per day, and is expected to yield substantially better results in further tests today.

Signs that Jabiru could contain at least 200m barrels of recoverable oil have fuelled a boom in Australian oil and gas stocks, and given rise to speculation of an oil province in the Timor Sea.

Other partners in the Jabiru consortium include Citco, owned by Occidental Petroleum, Norcen, Weeks Australia and Ampol Exploration.

A leading Australian share broker said of the Jabiru results that although it was still early days "there is sufficient evidence that the oil reserves in this region will be measured in billions, not millions, of barrels."

BHP is also involved in oil exploration off China, and said last week that in 1983-84 it would be spending more than A$90m (£54m) on oil exploration in Australia and abroad.

China seeks cut in Soviet Far East missiles

BY MARK BAKER IN PEKING

CHINA IS pressing for a reduction in Soviet missiles in the Far East during the latest round of Sino-Soviet talks which began in Peking yesterday.

Chinese officials have indicated that emphasis is being placed on obstacles to normalisation of relations between the two countries, over the missiles issue.

A recent commentary in the Communist Party newspaper, People's Daily, indicated that a reduction in the 108 Soviet SS-20 missiles deployed in Asia—and commitments by Moscow not to increase the number—was an additional element in the talks.

China has previously stipulated the presence of an estimated 1m Soviet troops along its borders—and Kampuchea and Afghanistan—as "the three obstacles" in the way of normalisation.

"China hopes that the Soviet Union will reduce its military force along the China-Soviet border, and this includes the reduction of its troops and its nuclear and conventional weapons," the Chinese Foreign Ministry said yesterday.

The talks, headed by Mr I. F. Ilyichev, the Soviet Vice-Foreign Minister, and Mr Qian Qichen, the Chinese Vice-Foreign Minister, are expected to continue for two or three weeks. It is the third round of meetings since the dialogue began in October last year.

Mr Qi said that there was no fixed schedule for the talks and their duration would depend on "how they proceed."

He said it was unlikely that a meeting would be held soon between the Chinese Foreign Minister, Mr Wu, and his Soviet counterpart, Mr Gromyko, because of Mr Wu's heavy schedule.

The two were due to meet in New York during the United Nations general assembly, before Mr Gromyko cancelled his trip because of attacks on Moscow over the shooting down of the South Korean airliner.

China has attacked both the U.S. and the Soviet Union for their attitude to nuclear arms reduction, saying both sides are using the talks as "a cover" to expand nuclear armaments.

"The process of negotiations in the past two years indicates that a lack of sincerity on both sides is the stumbling block to an agreement," said a commentary published yesterday in the official news agency, Xinhua.

"The true intention of both sides is not to seek a genuine power equilibrium, but a weakening of the opponent . . . as long as the Soviet Union and the United States have no genuine sincerity for nuclear disarmament, true arms limitation agreements are impossible."

Peking's foreign reserves show increase of 41%

BY OUR PEKING CORRESPONDENT

CHINA's foreign exchange reserves stood at $1.3bn at the end of June—an increase of 41 per cent in nine months.

But officials of the Bank of China say that the high reserve level will decline next year as the country increases imports of technology and equipment to modernise its industry.

China's reserves, bloated by restraint on imports and a steady expansion of exports, cover more than six months of imports at current levels.

The reserves have expanded at an accelerating rate since the end of 1980 when they stood at $2.2bn. They reached $9.2bn at the end of last September.

"But this is only a temporary situation for us," Mr Ding Ning, head of the bank's planning department, said.

"We have a lot of money, but we are a big country and there are already plans to use these reserves. The transformation of our enterprises will involve a big increase in imports next year."

But Mr Ding predicted that China would continue to enjoy a favourable trade balance.

Lawyers stage protest march in Punjab city

BY JOHN ELLIOTT IN LAHORE

HUNDREDS of lawyers yesterday forced their way through an armed police cordon and staged an illegal march through the centre of the Punjab city of Lahore in protest against the martial law regime of General Zia Ul-Haq, President of Pakistan.

The demonstration was the biggest seen in the Punjab since protests against the Zia regime began two months ago.

It follows widespread violence in the province of Sind where around 30 people are thought to have died, and it has given leaders of opposition parties hope that it may be possible to spread demonstrations to the Punjab.

Yesterday's event passed off peacefully after the lawyers, who were holding a "save Pakistan" convention within the grounds of Lahore's high court, pushed through armed police standing eight-deep in front of the court's gates.

They marched to the front lawns of the city's provincial assembly building, which houses the local martial law administration, and back to the courts avoiding clashes with police.

Sikh violence erupts

BY K. K. SHARMA IN NEW DELHI

SECURITY in the Punjab was intensified yesterday after the Indian Cabinet held an emergency meeting following a fresh wave of violence by Sikh extremists.

The violence, in which ten people were killed when trains and buses were attacked, is thought to be a deliberate escalation of terrorist activity by the extremists in an attempt to create turmoil. Targets of the extremists are the militia and police, but random attacks are anticipated on civilians.

The eruption of the violence follows a crackdown by the Punjab state Government on Sikh leaders, who have been advocating secession from the Indian union and the creation of a separate Sikh state of Khalistan.

Three Sikh leaders were detained earlier this week under the National Security Act.

Ciskei violations claims

BY J. D. F. JONES IN JOHANNESBURG

ALLEGATIONS of violence, murder and human rights violations are made against the government of the Ciskei—one of South Africa's "independent" homelands—in a 90-page report just been released in Johannesburg.

The report, prepared by a member of the Centre for Applied Legal Studies, draws on affidavits, interviews and published information to document assaults, torture and mass detentions by Ciskeian police and "vigilantes," in their efforts to break a bus boycott which started in mid-July.

These incidents took place in Mdantsane, the second largest black township in South Africa, which is just outside East London, but inside the borders of the Ciskei.

Argentine army reaffirms support for elections

BY PETER BAINES IN BUENOS AIRES

THE ARGENTINE army has issued a statement reaffirming its commitment to the elections at the end of this month and insisting that "all international commitments must be respected and met, in keeping with Argentina's traditions."

This was a direct reference to the country's $39bn foreign debt crisis, where, after the release of Sr Julio Gonzalez del Solar, the central bank president, and a favourable court decision, the beginnings of a solution are emerging.

The army statement also condemned the "irresponsible actions of certain sectors and persons who, on the pretext of renegotiation of our foreign debt, have generated a climate of anguish and scepticism."

The statement had been preceded by a speech from President Raynaldo Bignone of the same tenor. The president is reported to have threatened to resign if the court-imposed freeze on renegotiations covering $6bn in state company debts, was not removed.

The matter is now in the hands of an appeal court in the city of Comodoro Rivadavia, and central bank and Economy Ministry officials are setting their hopes on a quick resolution.

Domestic financial markets were marked by continuing uncertainty. On Wednesday, the central bank-imposed ban on all foreign currency payments led to panic moves by small savers, and there was confusion over a number of hastily-written directives.

Rumours that the Government was about to expropriate the contents of safe deposit boxes in the banks were not convincingly denied until late in the evening, and as a result there were long queues of people hurriedly withdrawing their valuables.

During the day, the Government issued a decree postponing payment of dollars to holders of term deposits in the banking system. Dollar deposits maturing within the next 60 days cannot now be withdrawn, but will continue to earn interest.

Officials had discussed as an alternative the payments of the amount due in Argentine pesos at the official exchange rate, which is half the black market rate.

There was also confusion over the handling of external bonds, which are dollar denominated and widely used as a hedge against inflation.

Prices fell abruptly on reports that the central bank would pay in pesos and not in dollars on maturity. Average prices were about 62 per cent of face value.

Foreign currency reserves are estimated at $2.8bn—34 per cent down on their highest point—in February—this year. Freely disposable reserves are a much smaller proportion of the total.

There were signs yesterday that a crucial meeting of the ruling military junta, originally due in the morning, could be postponed until today. The commanders-in-chief were due to hear a report from Sr Jorge Wehbe, Economy Minister, on his return from the U.S.

Inflation 'will plague Mexico next year'

MEXICO CITY — Mexico's President, Sr Miguel de la Madrid, said yesterday that high inflation and unemployment would continue to plague his country through next year.

"The economic crisis that we have suffered since 1982 is of such depth and complexity that we are far from getting over it," Sr de la Madrid said. But economic conditions this year have been better than anticipated, he added.

"The most serious, sharpest and most threatening aspects of the crisis have been put under control. But as long as there is inflation, as long as there is a permanent tendency for goods and services to get more expensive, the crisis continues."

The Government would make lowering inflation the major goal of its economic policy through 1984.

In February 1982, the peso fell to 150 to the dollar, plunging Mexico into its worst economic crisis in 50 years. Last year the Government put broad austerity measures into effect. A half-million workers lost their jobs and inflation ran at 100 per cent for 1982.

AP

David Lascelles, recently in Missouri, reports on a dying breed of central banker

Money still matters to the St Louis Fed

MONETARISM may be under attack and discredited in many parts of the world, but it is alive and well in St Louis, Missouri. Or more exactly in the brass and marble halls of the Federal Reserve Bank of St Louis, which stands only a few yards from the banks of the Mississippi and the city's famous soaring arch.

"To quote another famous Missourian, reports of its death are greatly exaggerated," said Mr Theodore Roberts, the bank's 54-year-old president, referring to Mark Twain. "I'd even say that the theoretical grounding of monetarism has not even been challenged."

Brave but not altogether surprising words from a bank which has achieved world-wide fame as one of the leading advocates of the belief that "money matters." Even so, there is an air of defensiveness about the place these days. A recent edition of the bank's Review carried an article titled "Are monetarists an endangered species?" which acknowledged that monetarism's image had taken a battering after unhappy experiences in a string of countries ranging from the U.S. and the UK to Chile. But it concluded that no one had yet tried the doctrine long and hard enough to yield the predicted results.

The Federal Reserve system is made up of 12 regional banks like St Louis which oversee the U.S. banking system and administer monetary policy in their areas. Many have developed their own traditions and philosophies. But few have gone quite as far as St Louis and championed a cause with such vigour and outspokenness.

The tradition dates back to the early 1960's when the research department was run by Homer Jones, a Federal Reserve Board staff member who arrived from Washington with pronounced monetarist views. Since then a string of leading monetarists have passed through the bank, including Jerry Jordan who was until recently a member of President Reagan's Council of Economic Advisers. Mr Roberts, who took over earlier this year, came from Harris Bank in Chicago which produced Dr Beryl Sprinkel, now Treasury Undersecretary and the Administration's leading "in-house" monetarist.

Mr Roberts claims there is no pressure on his staff to take the monetarist view. "I tell them to search for the truth and let the facts fall out where they may." But it is no accident that most of the bank's senior staff and economists subscribe to the monetarist creed. This gives the bank a taint of predictability which has earned it criticism and even mockery. But its views always attract attention.

A leading New York money market analyst put it this way: "They used to be looked on as part of the lunatic fringe. But when monetarism became more respectable at the start of the Reagan Administration, they also became more acceptable and responsible."

The St Louis Fed gives the Board in Washington a chance to object to its pronouncements before it publishes them. But according to Mr Courtenay Stone, one of the economists who wrote the endangered species piece, there has been no attempt to silence the bank or force it to adopt more conventional views. "They usually only object if we use information they think should be kept confidential."

The bank wields its influence in two ways. One is through research and advocacy. It has a team of economists who sift the evidence, write articles and construct their own models along with their own statistical series.

The other is through its president who is a member of the Fed's open market committee, the secretive inner sanctum which makes monetary policy. This channel is especially important just now because Mr Roberts is a voting member of the 12-man committee. Regional presidents take it in turn to be voting members for one year at a time.

Mr Roberts says that while he believes the behaviour of the money supply to be crucial, he is not concerned "with every little wiggle. I've tried to be less predictable and dogmatic in our discussions. But I believe we must have moderate, even, sustainable growth in the money supply."

Mr Theodore Roberts . . . monetarist maverick

The trouble, as far as Mr Roberts is concerned, is that M1, the narrow and most widely watched measure, has been growing much faster than planned this year. In the six months up to the end of August, it had risen by over 13 per cent against the Fed's target of 5-9 per cent. And even though this rate has abated recently, Mr Roberts is concerned that the seeds have already been sown for an acceleration in inflation some time in the future.

So he has been pressing the OMC to rein in monetary growth, though not so suddenly as to cause severe dislocations in the economy. He is unable to comment on what happened at the Fed's latest meeting because the proceedings are confidential. But in the past Mr Roberts has been among those voting for a firmer monetary policy.

He says he would like to see M1 rising by about 7 per cent a year, the middle of the present target band.

The St Louis Fed's economic forecast is bullish on the U.S. economy as far as growth is concerned. It foresees output rising 5.5 per cent this year, with the pace slowing slightly in 1984 and 1985.

But not surprisingly, it is forecasting a resurgence in inflation next year to 6½-7 per cent compared to a present rate of 3-4 per cent.

Others are also predicting rising prices as the U.S. economy heats up, of course. But the St Louis forecast is based on the belief that money growth explains 80 per cent of the inflation rate, with the rest coming from extraneous shocks like Opec price rises, bad harvests and so on.

Pinochet police disperse anti-government march

BY MARY HELEN SPOONER IN SANTIAGO

CHILEAN POLICE firing tear gas and water canons dispersed several thousand anti-government demonstrators attempting to march toward the La Moneda Presidential Palace on Wednesday evening.

The protesters burnt an effigy of the President, Gen Augusto Pinochet, and began moving down Santiago's main avenue following a rally organised by Chilean university, labour and youth organisations.

The rally had been authorised by Chilean authorities and included speeches by the president of Chile's Copper Mine Workers' Confederation, Sr Rodolfo Seguel, and leaders of the youth wings of several opposition organisations.

It was the second occasion during the Pinochet regime's 10-year history that a mass public gathering of opposition leaders and their supporters took place with Government permission.

During the prelude to Chile's 1980 constitutional plebiscite, which prolonged Gen Pinochet's presidency until at least 1989, the Government allowed former President Eduardo Frei to speak against the proposal before several thousand people in an auditorium in the centre of Santiago.

Several weeks ago, Chilean officials announced the lifting of restrictions on public assemblies, which had been in effect since the regime came to power in 1973. According to the new measure, any group or organisation seeking to hold a public gathering need only advise authorities a few days before the scheduled event.

Chile's most important opposition group, the multi-partisan Democratic Alliance, has called for a mass protest rally and march on October 11. The opposition is hoping to attract more attendance at this rally than the Pinochet regime was able to gather during the huge and well-orchestrated pro-government demonstration which took place in Santiago on September 8.

Officials had earlier granted permisison for an anti-government rally on September 4, which opposition leaders later cancelled due to internal disagreements over the timing and organisation of the gathering.

Pressure grows for resignation of James Watt

By Reginald Dale, U.S. Editor, in Washington

PRESSURE mounted again yesterday for the resignation of Mr James Watt, the controversial U.S. Secretary of the Interior, amid reports that he would prefer to step down rather than face public repudiation by Congress.

Mr Watt ran into the gravest trouble yet of his chequered two-and-a-half years in office following a gaffe two weeks ago in which he attempted to praise the varied talents of one of his advisory commissions by describing its members as "a black, a woman, two Jews and a cripple."

President Ronald Reagan, to whom Mr Watt has apologised, acknowledged earlier this week that it was a "stupid remark," but said it was not "an impeachable offence." The White House has not sought his resignation.

Senate Republicans, however, were yesterday showing signs of mounting anger that Mr Watt has not resigned, and increasing concern that White House support for him may be damaging the Republican Party.

Many of them are likely to vote for a Democrat-sponsored resolution calling for his resignation that could come to the Senate floor later this month. The White House said yesterday that while it would welcome a Senate vote, it would not feel bound by it.

The conservative Mr Watt has long been the bogeyman of liberals and conservationists for what they regard as his ruthlessly capitalist environmental policies. Mr Reagan, however, has considered him an important "vote-getter."

In office, Mr Watt has gained notoriety for describing Indian reservations as prime examples of the "failure of Socialism."

Airline unions urged to accept pay cut

ATLANTA—Eastern Airlines' lenders will cut off credit and force the airline into default unless unions accept a 15 per cent pay cut by next week, according to Mr Frank Borman, Eastern chairman.

Rebutting claims that he is overstating the airlines' problems, Mr Borman says in an interview with the Atlanta Constitution that a 28-bank lending group will close a $275m line of credit unless the unions accept a combination of pay cuts and new work rules that will reduce the Miami-based airline's labour costs by 20 per cent next year.

Mr Borman asked for voluntary pay cuts last week and warned that the airline could close or file for bankruptcy if employees fail to accept them.

He says Eastern has set an October 12 deadline for union approval of the wage reductions because "it will take that long to make sense of it and to work it into the plan" for the creditors.

Eastern's senior management is scheduled to meet with the creditors during the third week of October, he says.

The Eastern chairman denied the deadline was chosen to put pressure on flight attendants, who are free to strike when a 30-day cooling-off period expires that day.

"Obviously, the 12th is an important date because of the flight attendant's situation, but the major constraint is to have something ready for the banks," he says.

Some union leaders have claimed that Mr Borman overstated the airline's financial problems in order to win the pay concessions. So far, the unions representing Eastern's pilots, machinists and flight attendants have refused to permit members to vote on the pay cuts.

Mr Borman says he remains optimistic that the union members will approve the concession package.

AP-DJ

Nippon Telephone to treble purchases from abroad

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

NIPPON Telegraph and Telephone (NTT), the Japanese state telecommunication entity, expects to treble its purchases of equipment from foreign suppliers this year, placing orders worth more than Y30bn (£87m).

The items to be bought include a modified version of American Telephone and Telegraph's telecommunications traffic monitoring system, ATOMICS, and a Cray Research supercomputer. NTT says it also plans to buy software for data transmission and digital switching systems for emergency use—all from U.S. suppliers.

Forecast

Early this year NTT forecast a doubling of its overseas procurement in 1983 from estimated 1982 purchases of Y8.8bn worth of equipment.

NTT now estimates that overseas procurement last year reached Y11bn and is confident that the Y30bn figure will be exceeded by the time the fiscal year ends next March.

NTT has been under severe pressure from the U.S. to step up its procurement this year but a spokesman for the organisation strongly denied yesterdaya that there had been eny "promise" that a given amount of equipment would be bought by the end of the year.

Extended

NTT says it assumes that the existing agreement between Japan and the U.S. under which telecommunications procurement between the two nations was liberalised in 1981 will be extended when it expires at the end of 1983. U.S. government spokesmen at one time described the agreement as "worthless" in view of what they claimed to be NTT's unacceptahly low overseas procurement levels.

NTT said yesterday that it originally planned to develop its own system for monitoring and analysing telecommunications traffic, but thet it had now concluded that AT and T was ahead in this field.

NTT'a president, Mr Hisashi Shinto, was asked by Prime Minister Nakasone in June to take "drastic steps" to increase the organisation's overseas procurement. The request came immediately before a visit to the U.S. by Mr Shinto. During the visit Mr Shinto met executives of IBM and AT and T as well as U.S. trade officials.

HOPES FOR SEMICONDUCTOR AGREEMENT THIS MONTH

U.S., Japan set to settle chips dispute

BY LOUISE KEHOE IN SAN FRANCISCO

THE U.S. and Japan expect to ratify major trade agreements this month aimed at settling a decade-long trade conflict over the $25bn world market for semiconductor chip products.

The impending agreement has calmed U.S. fears that Japan will "steal" a lead in the strategically important technology of chip production.

"We anticipate that our two governments will agree upon a set of recommendations," Mr Malcolm Baldridge, the U.S. Commerce Secretary, said recently in a letter addressed to U.S. semiconductor industry leaders Dr Robert Noyce, vice-chairman of Intel and Dr Joseph Boyd, chairman of Harris.

"Tha implementation of these recommendations will create new opportunities for U.S. firms to participate in the Japanese market. It is important that U.S. companies move promptly to exploit fully such new opportunities," he said.

Mr Noyce and Mr Boyd, along with a group of U.S. industry representatives arrived in Tokyo this week at the head of an industry trade mission.

Details of the expected bilateral agreement remain secret, but it is understood that recommendations proposed by the U.S. arc all aimed at opening the Japanese market.

An agreement to eliminate import tariffs on semiconductor products in both countries is understood to be one element of the agreement. Last month a system for monitoring each country's semiconductor exports was created by mutual consent.

In negotiations over the past few months, tha U.S.-Japan high technology working group is understood to have discussed suggestions that the Japanese Government "implement e comprebensive import promotion programme in Japan." This would apparently entail financial and tax incentives to Japanese companies to buy U.S. semiconductor products.

Leading Japanese semiconductor users also are urged to expand their lists of approved supplies to include U.S. companies and the re-opening of closed qualification periods on the part of major Japanesa purchasers.

In eddition, the U.S. is believed to have asked Japan to ensure that its semiconductor manufacturers be allowed to deal directly with major users rather than through central buying organisations.

"The U.S. has asked the Japanese Government to turn its targeting practices around and make tha systems that have worked to protect Japanese markets open to U.S. suppliers," explained a U.S. semiconductor industry lobbyist in Washington.

Japanese semiconductor manufacturers are expected to increase their sales to the U.S. by 45 per cent this year to reach a total value of $1bn. U.S. exports to Japan are also rising, but only at an annualised rate of around 10 per cent, much lower than the current Japanese market growth rate.

None the less, U.S. industry leaders, who six months ago were voicing bitter resentment of "unfair" trade practices and calling for government action to protect the industry from foreign competition, now seem confident that trade agreements and free market forces will prevail to create greater opportunities for U.S. sales of semiconductor products in Japan.

Another factor in improving relations has ben a dramatic increase in demand in the U.S. for semiconductor products.

Canon in personal computer link with Apple

BY OUR FAR EAST EDITOR

CANON, the leading Japanese maker of cameras and copiers, will announce next week a business tie-up with Apple Computer of tha U.S., under which Apple's personal computers will be distributed in Japan through the Canon sales network.

Apple at present has e 1 per cent share of the Japanese personal computer market while Canon claims a share of "under 10 per cent." Canon, however, has developed a powerful domestic sales network for office machinery.

Canon was unable to say yesterday whether the tie-up with Apple would eventuelly lead to the marketing of Appla computers that could handle *kanji* (Japanese) characters. A Canon spokesman agreed, however, that *kanji* capacity would be an important condition for the future success of Apple computers in Japan.

The Japanese personal computer market is dominated by NEC with a more than 40 per cent share of domestic sales. However, the industry is unmistakeably in a state of flux with many new entrants to tha market. One of the most prominent newcomers, IBM Japan, announced its 5550 model earlier this year.

Kraftwerk Union bid for Turkish nuclear deal backed by Bonn

BY OUR FOREIGN STAFF

KRAFTWERK Union (KWU) of West Germany moved into a strong position in bids for e nuclear power plant in Turkey with government approval for export credit and guarantee support worth DM 1.4bn (£363m).

KWU, the power plant subsidiary of Siamens, tha electrical group, is bidding for the contract to build tha plant of abont 1,000 Mw capacity, near the Mediterranean port of Mersin.

KWU said yesterday it had obtained backing from the Hermes organisation, the German export credit insurance agency. Such coverage will clear the way for credit arrangements if KWU wins the contract.

The West Germans hope that traditional close links with Turkey may influence the contract decision, which is expected by the end of this month.

The loan will be in the form of e suppliers' credit and is conditional on a West German company winning the contract. The plant will be Turkey's first nuclear unit.

Six foreign companies have entered the bidding for the project, which is expected to cost $800m-$1bn, with substantial suppliers' credits being offered by various national agencies.

In addition to KWU, other companies in the running are Westinghouse and General Electric of the U.S., Atomic Energy of Canada (AECL), ASE Atom of Sweden and Framatome of France.

The contract is to be awarded later this month.

German industry and government sources say Turkey's bidding invitation to reactor manufacturers contained a requirement for a financial proposal. They agreed no competitor would stand a chance of landing tha eagarly sought reactor contract without some sort of government financial backing.

They said the Turkish specifications were general and called only for a 900 to 1,000 Mw unit.

One official said the Soviet Union was also seeking to sell its reactor to Turkey, and the British nuclear industry was also hoping to sell two of its gas-cooled Magnox reactors there.

Like other major power plant builders, KWU has been suffering from a dearth of nuclear power work in recent years.

Although a number of developing countries have expressed strong interest, growing debt problems have proved e stumbling block to the granting of new orders.

China to delay contracts on Baoshan steel complex

PEKING—Contracts for construction of the second stage of the Baoshan steel complex near Shanghai will not be awarded for at least eight to 10 months, SMS Schloemann-Siemag chairman Herr Heinrich Weiss said yesterday.

Herr Weiss said he optimistic his company will be awarded the contract but said the company faces tough competition from Japanese and perhaps other European companies.

He said he did not know exactly which other European companies were competing apart from West Germany's Mannesmann, but named Creusot Loire of France, Austria's Voest-Alpine and Davy Corporation of Britain as possible rivals.

Herr Weiss said it would be more economical and technically advantageous for the same company to supply a continuous ingot casting machine and a 2,050 mm bot strip rolling mill for the Baoshan plant.

The hot strip mill would cost about DM 1.3bn (£337m) and the continuous caster slightly slightly less.

Mitsubishi of Japan is also competing to build these following announcement last March that the second stage of the Baoshan complex is to go ahead despite problems with the first phase.

Stage one may be completed by 1985 and stage two by 1988-1989, said Herr Weiss, and the entire complex would produce about 6m tonnes of steel annually.

The harbour to handle Australian ore and perhaps some Chinese coal was nearing completion, and conveying machines and roads were ready for use.

Schloemann-Siemag expected to start construction of a delayed cold rolling mill in 1986-1987, to be completed two years later, he said.

Reuter

East Germany to boost imports from Austria

BY LESLIE COLITT IN BERLIN

EAST GERMANY said it intends to boost purchases of Austrian consumer goods from Scb 700m (£26m) to Sch 1bn next year and to buy a minimum of 300,000 tonnes of steel from Austria worth Sch 1.4bn.

East Germany bas replaced Poland as Austria's second largest trading partner in Comecon after the Soviet Union.

Austrian exports to East Germany rose in the first seven months of this year to Sch 3.2bn compared with Sch 3.5bn in all of last year. East German imports were worth Sch 1.5bn compared with Sch 2.9bn in 1982.

The sharp growth in exports to East Germany is connected with the construction of a Scb 12bn converter steel plant et Eisenhuettenstadt by Voest-Alpine of Linz which is to be completed next year. West German subcontractors are active on the project. The Austrians bopa to gain a further contract connected with the steelworks.

East Germany has also imported Sch 340m worth of Austrian grain this year after buying a similar amonnt last year. In addition the Austrians are building a Sch 6bn aromatics plant at Leuna which is to be completed in 1985. The East Germans have said they will import Sch 500m worth of chemicals from Austria.

Apart from East Germany's purchases in West Germany, it is buying more consumer goods in Austria than from other Western countries. These consist mainly of textiles, shoes, chocolate, wine and other foodstuffs.

East Germany said it has received Austrian credits to cover its purchases. The East Germans recently closed down their largest chocolate factory end decided to rely on imports from tha West. At the same time they are reselling the cocoa they import on Western markets.

● Iraq placed orders worth Sch 5.5bn with Austrian companies during a two-day visit by Iraqi First Deputy Prime Minister Taha Yassin Ramadan, Reuter reports from Vienna.

Greece to build alumina plant with Soviet help

BY ANDRIANA IERODIACONOU IN ATHENS

PLANS ARE advancing for construction in Greece of an alumina production plant using Greek bauxite with the belp of Soviet equipment and financing.

The project, whose cost is estimated at £276m, is the centrepiece of a 10-year Greek-Soviet economic co-operation agreement signed last February. It was discussed at a meeting of Greek and Soviet trade delegations in Athens this week.

According to Greek officials the Soviet Union will provide 50 per cent of the financing as well as equipment for the proposed plant. They said the rest of the financing will come from Greece and third countries wbich they did not specify.

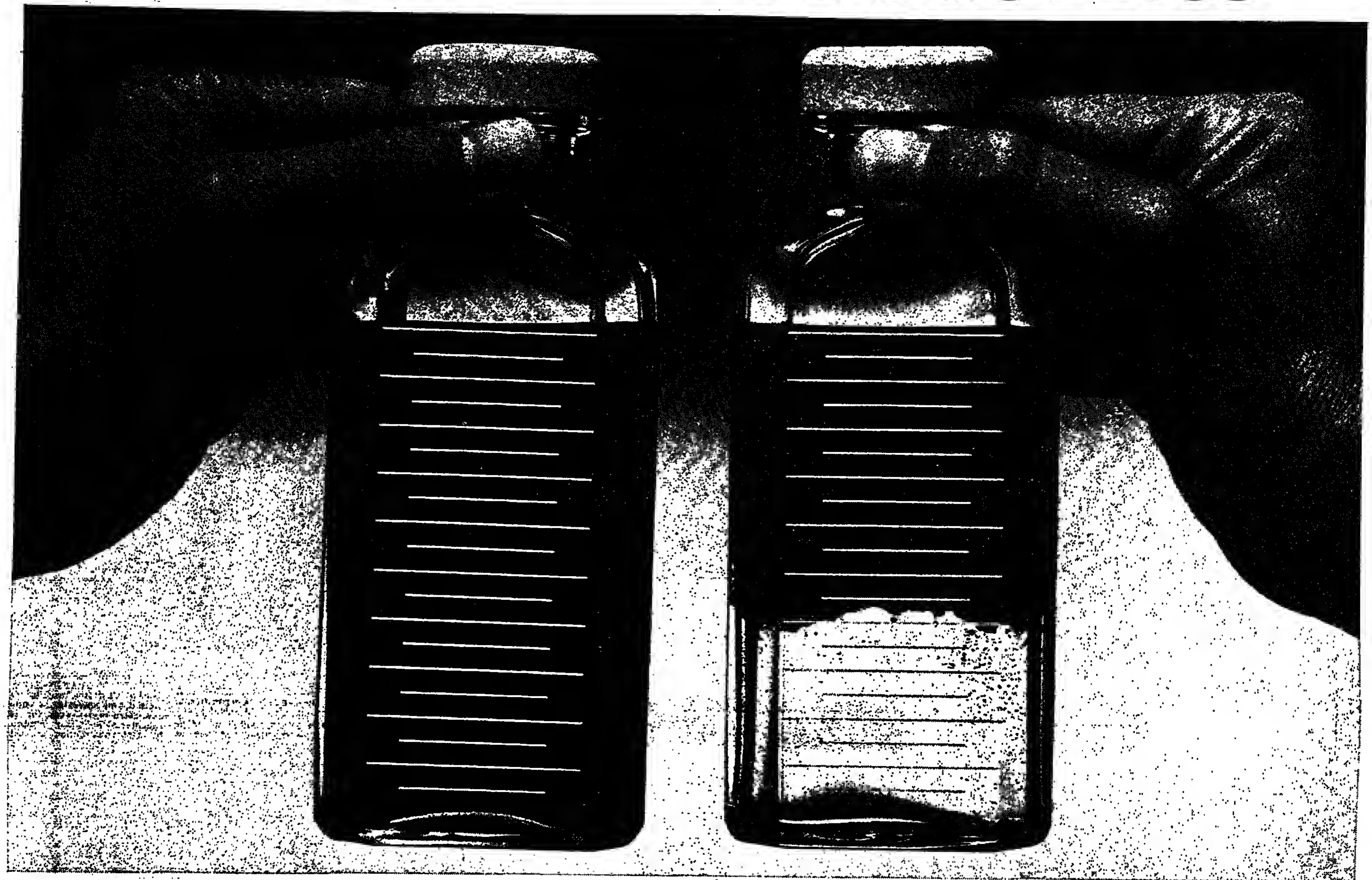
The Russians have reportedly committed themselves to the purchase of 360,000 tons a year for 10 years of the plant's projected 600,000 tons annual alumina production. But Greek officials said this week that there were still "considerable differences" this week between the two sides on an alumina purchase price.

The plant will initially provide 700 jobs, and several Greek regions are competing for it.

The alumina plant project was conceived in 1978 as part of an effort by the then Conservative Greek Government to expand trade relations with Moscow. But it failed to get off the ground mainly because Moscow was reluctant to agree to absorb a substantial part of the plant's production. The Greek socialists, who came to power in 1981, re-launched the project.

Meanwhile, EEC Commission officials said this week that the trade aspects of the Greek-Soviet economic co-operation agreement, of which the elumina project is a part, are still under review in Brussels for possible breaches of Community external trade regulations. Athens had failed to submit the agreement for the clearing by the Commission before signing it.

Getting oil out of Britain's waters isn't our business.



Getting water out of Britain's oil certainly is.

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By developing special demulsifiers, we've managed to separate the oil from water and impurities.

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And, quite literally, flush the oil out.

Practical tests in the oil fields have shown our technique can actually improve oil recovery by up to 20%.

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But the oil men couldn't get by without our chemistry.

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Hoechst

CRIMINAL JUSTICE IN EUROPE

Lisa Wood examines the pressures on Home Secretary Leon Brittan in the run-up to next week's Conservative Party conference

Why Britain's prisons are a political minefield

NEXT WEEK, Mr Leon Brittan, the Home Secretary, will stand before the Tory party conference and present proposals on how to tackle crime and Britain's overcrowded jails.

His performance will be critical to the government's credibility on the controversial law and order issue. In his first major speech on the subject at the Police Superintendents' Association annual conference last week Mr Brittan set out on a political balancing act familiar to many previous Tory Home Secretaries: longer prison sentences for violent offenders, to appease the right of his party; as a nod to the more liberal wing, greater use of non-custodial sentences for minor offenders; and more prisons.

"Overcrowding," ho said "distorts the penal system and the criminal justice system. It is a prime obstacle to clear thinking about the penal system."

Crime is a political minefield, as Mr Brittan has already discovered, and the problem of prison congestion inescapably involves sentencing policy as well as building new prisons. English judges, for example, mete out average sentences twice as long as their colleagues in Scotland and five times as long as judges in Holland. Any attempt to set minimum guidelines for sentencing will itself meet strong opposition, not least from the judges themselves who are determined to preserve their independence.

Mr Brittan is also having to take eccount of the strong views of prison staff and governors, many of whom have spoken out strongly this year against conditions and are now pressing for minimum sentencing standards.

International criminologists meeting last week in Vienna discussed no less than the abolition of criminal justice. Justinian reports on Page 13

The debate takes place against an increasingly serious background:

- Some 43,635 people are housed in buildings with an official capacity (CNA) of 38,500. At present some 230 remand prisoners are held in police cells designed only for overnight stays.
- The most serious overcrowding is in local prisons, which house remands, prisoners on short sentences and prisoners serving the first part of e long sentence. Here, prisoners may be living two to three in a cell designed in the 19th-century for one.
- Prisoners can be locked up for 23 hours a day in their cells because there are not enough prison officers to supervise workshops.
- Prison buildings are old and decaying. "A very substantial backlog of work exists and the number of inmate places directly threatened by building decay runs into thousands," said Sir James Hennessy, HM Chief Inspector of Prisons, in his 1982 annual report.
- Projections of recent prison population trends suggest that, unless new panel measures are adopted, the prison population could reach almost 50.000 by the end of the 1990s.

The Government can fairly claim that it has already begun to spend more on the prison service. Planned capital and current expenditure on existing prisons will be £610m in 1985-1986, an increase, the Tories point out, of 300 per cent in real terms compared with expenditure in 1975-76 under a Labour government.

Two new prisons are also to be built every year with planned expenditure rising from £20m in 1983-84 to £40m in 1986-87. Some 5,000 new places will be created.

But if the prison population increases at the projected level, there is still going to be a substantial shortage of places. Sir James, speaking on the new measures said: "The net result is, therefore, likely to be a worsening in overcrowding."

It is estimated that much more than £1bn would have to be spent to bring conditions up to standard for existing prisoners, but it is unlikely that anything like that amount will be found. Lord Elton, Parliamentary Under Secretary of State at the Home Office says that the new prison building programme is the biggest since the beginning of the century and is having to compete with all the other demands on Government funds. "We have to adjust to the public's perception of priorities," he says.

The Government has already tried and failed to make significant changes in penal policy. Two years ago Mr William Whitelaw (as he then was) abandoned measures to cut the length of prison sentences after opposition from the judiciary and within his own party.

New measures, including partially suspended sentences, were introdoced and have resulted in a small reduction in the average length of prison sentences. But et the same time reconviction rates have risen.

Inside a British prison—Strangeways.

About 50 per cent of edult males discharged in 1979 from sentences of over three months were reconvicted of a serious offence within two years of discharge.

Many practical remedies have been suggested to ease overcrowding in local prisons. Sir James, in his report, suggested that the Government convert some training prisons — to which criminals are dispersed according to special needs and availability of space—into local prisons. There were 16,637 men in 27 local prisons in March in accommodation officially suitable for 10,991 but in the training prisons there were 13,262 men in 41 institutions in accommodation for 13,067.

The Government, so far, is determined not to overcrowd the more geographically remote training prisons, believing that prisoners serving longer sentences should be in better conditions in the forlorn hope of encouraging them to reform. Meanwhile, in the overcrowded local prisons some 4,000 prisoners are untried et any one time, including about 100 prisoners who have been waiting for trial for more than one year.

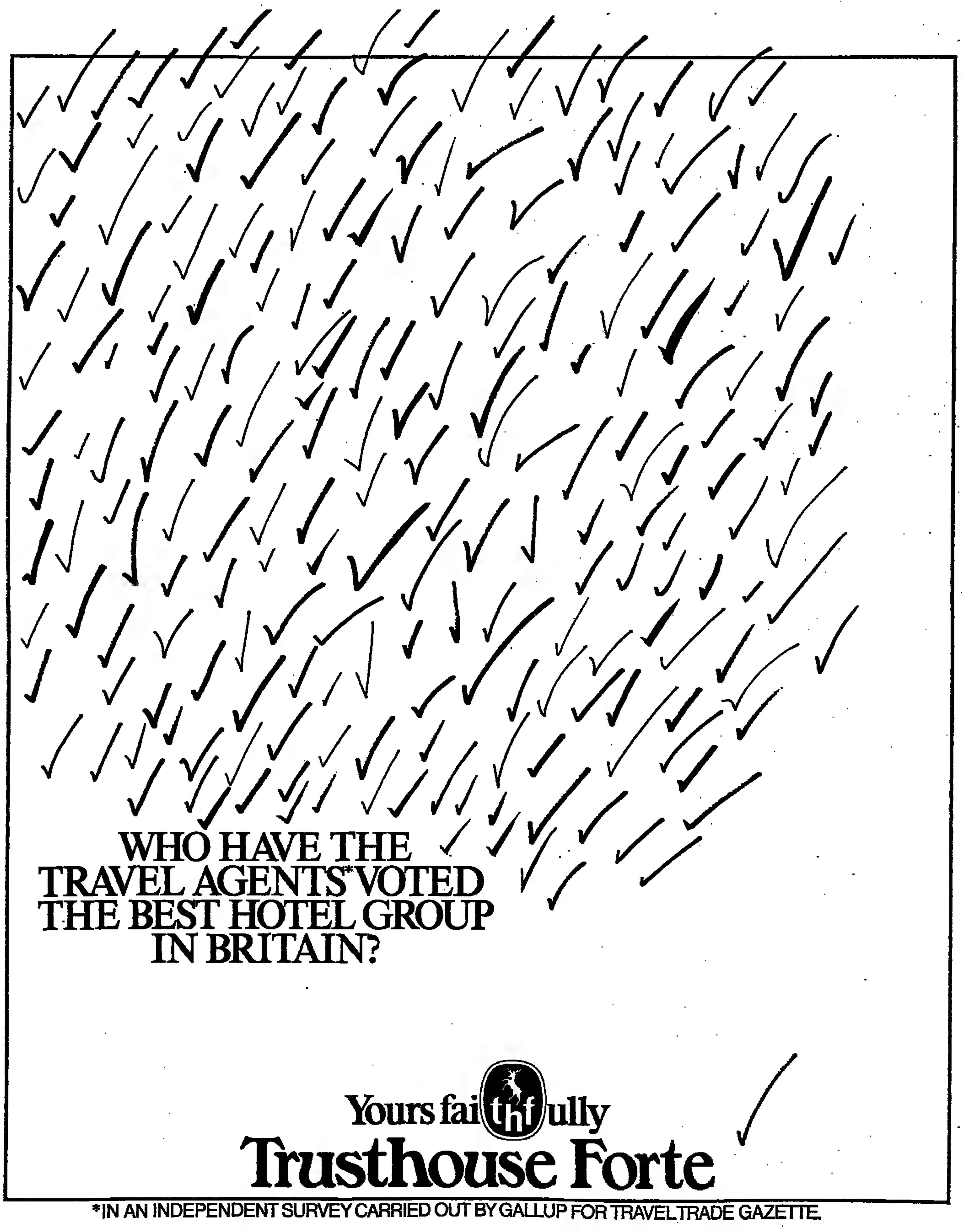
About 40 per cent of remands ere ultimately found not guilty or receive non-custodial sentences.

Attempts by reformers to introduce a Scottish legal procedure, called the 110 days rule, whereby prisoners cannot be held on remand for longer than this period have proved politically unsuccessful.

While the public has undoubtedly absorbed television documentaries which vividly illustrate the stresses in the system prison conditions were not an issue in the recent election.

The Labour Party, in its manifesto, made a commitment to improving conditions and cutting some sentence lengths but its track record in directing resources to prisons has not been outstanding and it, like the Tory Government, would have faced opposition from many quarters if it tried to cut sentences.

"There is no political kudos in improving conditions," said Mr Paul Cavadino, of the National Association for the Care and Resettlement Of Offenders, a charity respected by many in the prison service. "When a Government wants to do something, as the present one did in its former term, such as reducing numbers by a supervised early release scheme, there is pressure from the judiciary and political pressures within the party. Expedients have always been found such as army camps and prison cells and not enough resources have been spent on alternatives to prison. There has been a lack of politicial will under successive governments."



A tale of two prisons

COLDINGLEY PRISON, built on the outskirts of Woking, was opened in 1969 as a specialist high security industrial" training prison.

Mr Keith Gibson, south-east regional director of the Prison Department, the first governor of Coldingley, said: "We developed a modern factory with residential units."

Prisoners were given keys to their single cells, although staff have ultimate control. If you don't work at Coldingley you only get paid 65p a week and it is difficult to buy the "extras" such as television in the cells and HP sauce in the communal dining rooms.

The workshops, ordinary except for the bars on the doors, have sales of £1.3m a year and make a slight profit. Machinery is getting old, but money is not easily available from the Home Office to make practices more cost-effective on contracts which are mainly for Government departments. As Mr Arthur Nuttall, works manager, pointed out: "We could automate the paint line for £250,000 but what would I do with the eight men currently working there?"

Studies on reconviction rates show Coldingley, which holds 23 "lifers" among its 221 convicted men, to be only marginally better than other category "B" high security prisons. But although the staff's expectations havo been reduced, they are undaunted. Mr Gibson said: "When a man leaves he may be a better husband, father or employee and better ablo to cope with his environment."

Staff at Pentonville, in North London, the first majer "model" prison when it was built in 1842 and which houses short-term offenders, remands, and many "social inadequates," are blunt about their work. Captain Roland Adams, who recently retired as governor, said: "Of course, it's a penal dustbin."

The prison holds nearly 1,200 prisoners in cells officially suitable for 812. Some 80-odd men are "regulars"; the down and outs and alcoholics who drift in and out of prison. Others are shoplifters, credit card forgers and petty criminals.

The prison, which should have closed in 1980, had integral sanitation once but it was pulled out 50 years ago because it was collapsing; recently when six electronic tracking devices were put down the sewers they disappeared without trace. Prisoners empty their chamber pots twice a day.

Mr Adams said: "We, in the local prisons, are the key to the criminal justice system but for years resources have been directed away from us to the training prisons."

Pentonville's day revolves around control and security, the needs of the courts, and the provision of medical and welfare services. There are workshops, but the regular shortages of staff mean they are the first activities to be curtailed. In April two of the seven workshops were closed all month and others opened irregularly. Men then spent 23 hours a day in their cells.

Bitterness is directed at the Prison Department and politicians. Officers in charge of the remand wing, which has about 180 remands from Brixton, described their jobs as "bloody murder." One discipline officer said: "Departmental policy is to shove 'em all in but nobody bothers to come down and see how we manage it."

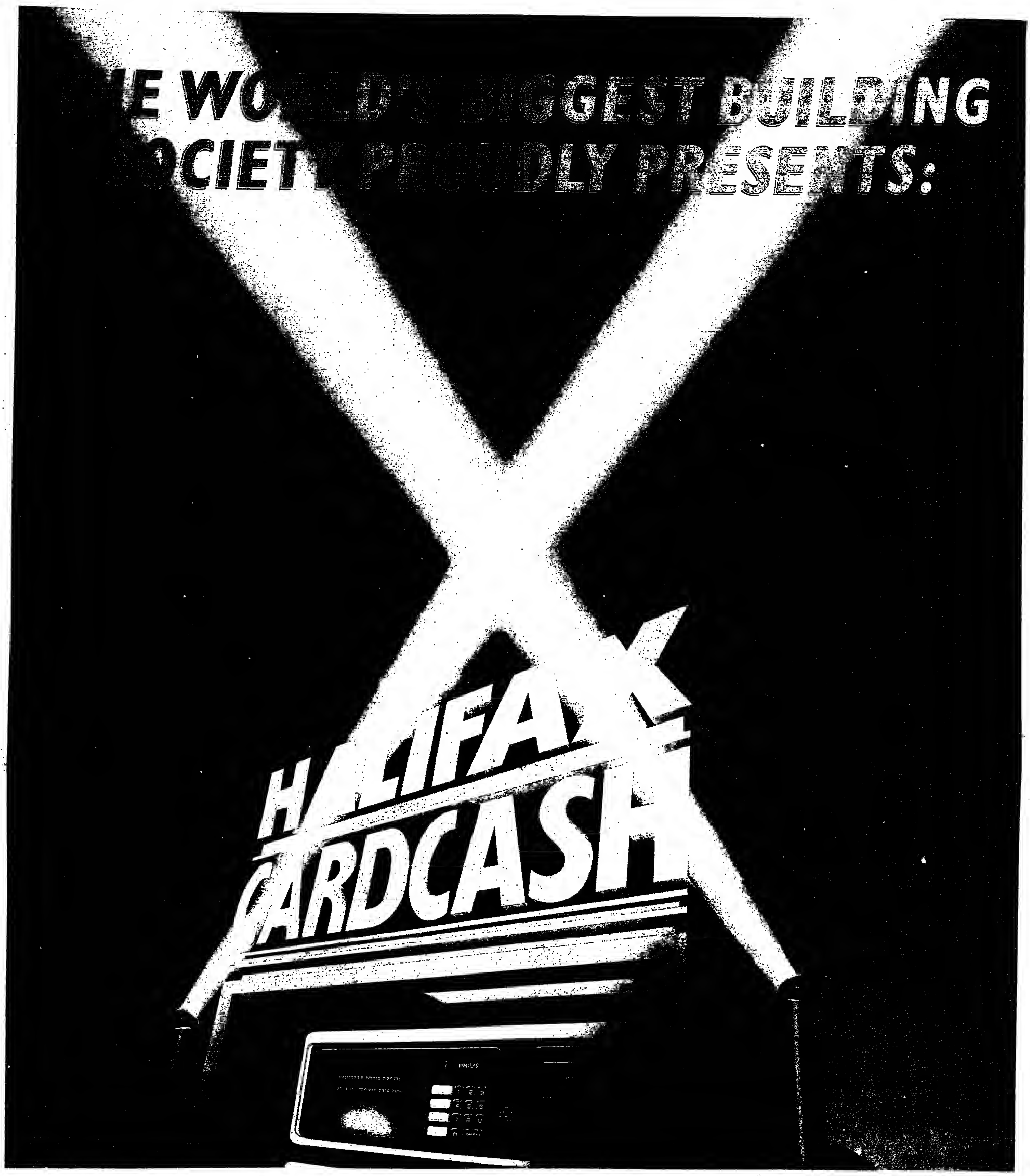
Mr David Taylor, chairman of the local branch of the POA, described people on his wing as "inadequates, dossers, alcoholics and run-of-the-mill six-monthers." He said: "We cannot do anything for them. Society has to lock them up somewhere. The easiest thing is to put them out of sight. We have to soldier on.

"The Prison Department should have built proper custodial establishments years ago but there are no votes in prisons. Crime is with us and people sent to prison should be kept in proper places. If you want to strip away a man's dignity slopping-out is the best way to do it."

BASE LENDING RATES

A.B.N. Bank	9 %
Allied Irish Bank	9 %
Amro Bank	9 %
Henry Ansbacher	9 %
Arbuthnot Latham	9 %
Armco Trust Ltd.	9 %
Associates Cap. Corp.	9½ %
Banco de Bilbao	9 %
Bank Hapoalim BM	9 %
BCCI	9½ %
Bank of Ireland	9 %
Bank Leumi (UK) plc	9 %
Bank of Cyprus	9 %
Bank of Scotland Ω	9 %
Benque Belge Ltd.	9 %
Banque du Rhone	10 %
Barclays Bank	9 %
Beneficial Trust Ltd.	10 %
Bremar Holdings Ltd.	9½ %
Brit. Bank of Mid. East	9 %
■ Brown Shipley	9½ %
CL Bank Nederland	9 %
Canada Perm't Trust	10 %
Castle Court Trust Ltd.	9½ %
Cayzer Ltd.	9 %
Cedar Holdings	10 %
■ Charterhouse Japhet	9 %
Choulartons	10¼ %
Citibank Savings ¶	10¼ %
Clydesdale Bank	9 %
C. E. Coates	9½ %
Comm. Bk. of N. East	9 %
Consolidated Credits	9½ %
Co-operative Bank *	9 %
The Cyprus Popular Bk.	9 %
Dunbar & Co. Ltd.	9 %
Duncan Lawrie	9 %
E. T. Trust	10 %
Exeter Trust Ltd.	10 %
First Nat. Fin. Corp.	11½ %
First Nat. Secs. Ltd.	11¼ %
Robert Fraser	10 %
Grindlays Bank †	9 %
■ Guinness Mahon	9 %
■ Hambros Bank	9 %
Heritable & Gen. Trust	9 %
■ Hill Samuel §	9 %
C. Hoare & Co. †	8 %
Hongkong & Shanghai	9 %
Kingsnorth Trust Ltd.	10 %
Knowsley & Co. Ltd.	9½ %
Lloyds Bank	9 %
Mallinhall Limited	9 %
Edward Manson & Co.	10½ %
Meghraj and Sons Ltd.	9 %
Midland Bank	9 %
■ Morgan Grenfell	9 %
National Bk. of Kuwait	9 %
National Girobank	9 %
National Westminster	9 %
Norwich Gen. Tst.	9 %
R. Raphael & Sons	9 %
P. S. Refson & Co.	9½ %
Roxburghe Guarantee	10 %
Royal Trust Co. Canada	9 %
Standard Chartered ‖	9 %
Trade Dev. Bank	9 %
TCB	9 %
Trustee Savings Bank	9 %
United Bank of Kuwait	9 %
United Mizrahi Bank	9 %
Volkskas Intnl. Ltd.	9 %
Westpac Banking Corp.	9 %
Whiteaway Laidlaw	9½ %
Williams & Glyn's	9 %
Wintrust Secs. Ltd.	9 %
Yorkshire Bank	9 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.06%. Effective annual rate—9.43%.



The world's biggest building society proudly presents a blockbusting new service:

Halifax Cardcash.

It looks like any ordinary money machine. But there's one all important difference:

7.25% net = 10.36% gross*

Cardcash pays you interest on every penny in your account. And that's not all it can do.

FOR YOUR CONVENIENCE

Cardcash has been designed with versatility in mind. One slim plastic card, and your personal identification number, lets you do all this:

Pay money in ◇ Withdraw up to £250 daily ◇ Get an instant balance ◇ Obtain a mini-statement ◇ Request a full postal statement ◇ Pay standing orders – free.

18 HOURS A DAY, 7 DAYS A WEEK

Cardcash is open from 6 a.m. to midnight, 7 days a week.

And if you don't happen to be near one of the 100 machines which we are installing, you can use your card over the counter at any one of our 600 branches.

COMING SOON - COUNTRYWIDE

Cardcash is coming soon to over 100 Halifax branches all over the country.

It's the kind of service that no other building society in the country can offer on this scale.

To find out more about the most convenient savings service in years, ask at any Halifax office.

And make the most of Cardcash – hard cash with interest.

HALIFAX CARDCASH. HARD CASH WITH INTEREST.

*THE INTEREST RATE QUOTED IS VARIABLE. THE GROSS RATE APPLIES TO BASIC RATE TAXPAYERS.

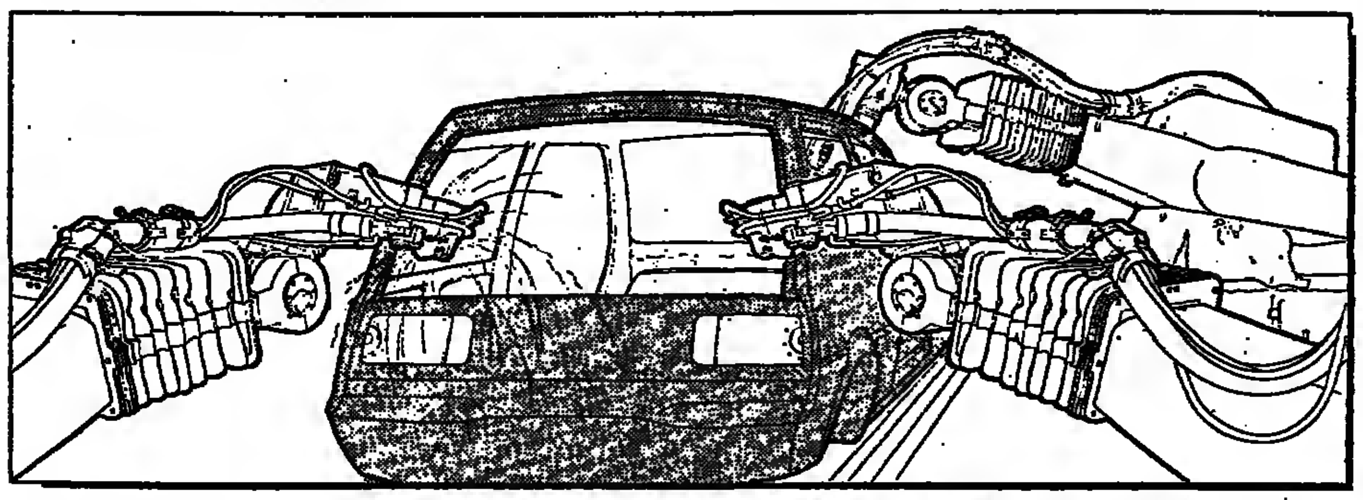
TECHNOLOGY

EDITED BY ALAN CANE

VISION SYSTEMS COULD IMPROVE MANUFACTURING QUALITY

Robot eyes on production

BY GEOFFREY CHARLISH



Vision systems can provide accurate component placement

AUTOMATION TECHNIQUES such as inspection of products by electronic vision systems rather than by buman eye should be taken more seriously in the West and should be seen as a means of improving a company's competitive position, not merely as a means of cutting back on direct labour.

That was the messaga that came over loud and clear at a recent London meeting arranged by PA Technology, the "high-tech" consultancy company based in Cambridge. About 100 senior production executives attended the meeting at which a number of case histories ranging from ceramic tile to shoa production were described by PA Technology consultants.

Electronic vision systems should be seen as improving a company's position not merely as a means of cutting back on direct labour

Thare are now several TV-based vision systems on the market and John Fisher, who manages the engineering physics group, suggested that it might not always pay to rush out and buy one until the application is fully understood. Indeed, vision systems may even turn out to be unnecessary, something simpler like a contact probe being perfectly edequate.

Although full-scale vision systems are now quite widely used for developmental purposes, Fisber made tha point that often the production line system that finally emerges can be implemented in hardware alone, st a fraction of the cost and able to work et production line speeds—which many vision systems cannot.

For example, PA looked at the unusual problem of coin inspection whare "proof" coins have to be blemish-free for sale to collectors.

The Cambridge labs used a vision system to develop an algorithm for distinguishing flaws from tha structure of the coin surface itself. This was partly a matter of lighting and partly a question of image processing, in which a single TV frame is captured, digitised and stored electronically.

With data on every picture element to hand, the image can be processed to remove known, repetitive features, leaving only flaws. A bardware implementation can then be designed to carry out tha process in milliseconds rather than the many seconds taken by the full scala vision system. Such an equipment can use CCD (charge coupled device) solid state "chip" cameras and hardwired logic.

A similar technique was used for a tile manufacturer to find cracked tiles and reject them automatically.

As usual, most of PA Technology's clients are not willing to reveal their names—all are seeking to keep a competitive edge for as long as possibla.

However, a job for Opel in Germany was the exception. This General Motors company had found that in welding up the supension arm for the Nova car, the fit-up was uncontrollable dna to component dimensional variation. So before each cycla the part was measured with non-contacting transducers and robots used to offer up parts precisely, ensuring good welds.

Particularly interesting was an investigation for a big UK shoe manufacturer. Shoe production has now become highly fashion-oriented, so there is a pressing need for companies to get their new products on to the market rapidly.

Unfortunately, production of tha "clicking knives"—shoe leather-shaped cutters rather like pastry cutters—take much time and effort to make by hand. One is needed for each size of each shoe style and they have to be extremely accurate to ensure efficient downstream assembly and good quality.

PA Technology found it could automata the tool that made the cutters fairly easily, but since tha cutter consists of looped and shaped hardened and presharpened steel strip, springback varied, dimensional accuracy was difficult. Furtharmore, the strip varied from one manufecturer's coil to tha next.

Once again, there was no need for optical complications. Tha PA team devised a contact guage method to check each cutter's "springyness" and then feed back the data to tha hydraulics operating the bending tool. Now, it is understood, this company can make sboes quicker than most and be first to market with new fashions.

The need for this kind of approach to ha taken more often in the UK was emphasised by John Puttick, who is in charge of the manufacturing consulting side of PA Technology.

In fact, ba introduced a new buzz-word at tha conference "transilience" — which apparently stands for "aggressive manufacturing and marketing via new technology."

The idea, which needless to say originates in Japan, embraces a spectrum of attitudes ranging from trying to cultivate a "synthesis" approach (rather than the analytical one trained into most engineers), to encouraging the "top down bottom up" regime in which everyone in manufacturing cooperates in an attempt to prevent "islands of automation" forming.

Puttick also asserted that the well-known computing acronym—GIGO—was just as applicable in the new era of manufacturing. GIGO stands for "rubbish in, rubbish out."

"Don't automate or inspect rubbish"

"So," said Puttick, "be sure you're on the right track before you start. Don't automate or inspect rubbish."

EUROPE PONDERS ON LAWS FOR CAR EXHAUSTS

A catalyst for pollution control

BY ELAINE WILLIAMS

THE QUESTION of whether or not Europe should impose stronger pollution control standards on cars is now being posed with some force. Next year could see some positive moves towards agreement in the EEC after many years of considering tha issues.

One company which stands to gain considerably if laws are enforced is Johnson Matthey Chemicals. It is one of the leading manufacturers of the catalytic converters which are used on vehicles to reduce car exhaust emissions of toxic gases in the U.S. and Japan.

If legislation does go ahead in Europe thereby forcing European car makers to use catalytic converters to meet emission standards Johnson Matthey Chemical could be faced with serving a market worth an estimated £500m. The company already has a larga part of the U.S. market where stringent regulations on pollution are in force.

Recently West Germany signalled its intentions to opt for lead free petrol and catalytic converters for new cars registered from January 1986. West Germany's decision is based partly on tha part exhaust emission play in acid rain. Tha nitrous oxides from car exhausts seem to act as a catalyst in turning sulphur dioxide—mainly produced by coal-fired power stations—into acid rain. Other effects such as photochemical smog found in Los Angeles and Tokyo have been well documented as results of car pollution.

JMC'c technology is based on the platinum group metal catalysts. These are coated onto a ceramic honeycomb and fitted into the car exhaust system. The catalyst encourages the convertion of carbon monoxide, hydrocarbons and nitrogen oxides—all of which are toxic—into water, carbon dioxide and nitrogen which are less harmful in the atmosphere.

Using present technology, the catalytic converters are able to remote between 75 to 80 per cent of nitrogen oxides; 80 to 90 per cent of unburnt hydrocarbons and 85 to 90 per cent of carbon monoxide. Bnt for converters to work effectively, petrol must be lead free.

What would this mean in a city such as London, for exampla. The Greatar London Council in its review of air pollution in London called "Thirty years on" estimates that vehicles accounted for the 920,000 tonnes out of the 950,000 tonnes of carbon monoxide emitted in the city from vehicles, domestic and commercial sources, excluding power stations in 1978. More than half the nitrogen oxides emitted were also the result of vehicles, as was the majority of unburnt hydrocarbons.

Lead in petrol prevents the catalytic action taking place, though JMC has come up with a system which is tolerant to lower levels of lead—typically 0.15 grammes per litre of petrol. At present UK petrol has a lead level of 0.4 g per litre.

Estimates on the extra cost of incorporating converters to European models have been put at about £250 a car. The converter itself costs one fifth that price but some re-engineering of the exhaust, ignition and fuel system is needed.

For years JMC has been talking and working with European car manufacturers on suitable converters for tha European market. But until legislation forces car makers to comply with stringent regulations the market remains only as a potential, not a real, one.

Mr Petar Emmel, manager of the Catalyst Venture Group at JMC admits thet all action so far has been political in Europe. But he is hopeful that the Wast German decision to introduce lagislation will stimulate other countries such as the UK, Switzerland, Austria, Benelux, Scandinavia and Greece to take action.

The UK has already declared to remove lead from petrol by 1990 and the EEC Council of Ministers is likely to make a decision by Easter next year on the use of lead-free petrol in Europe.

SECURITY SYSTEMS IN BANKS

The rapid rise of screens

BANKS, building societies and post offices face the problem of reconciling the need for security with the damand from the public for more direct contact with counter staff.

Traditionally they have solved the problem with security glass but this is still felt by many people to be a barrier to communication and can be shattered by new types of bullet coming onto the markat.

Glass also allows visual contact between counter staff and a hold-up gang so cashiers can still be intimidated by threets either to themselves or to customers being held as bostage.

Fichet-Bauche, the French safes and security systems group, has devised what it believes is the answer to all of these problems—a bullet-proof metal screen which rises vertically from behind the counter in seven-tenths of a second.

The screen completely isolates the cashier from the public area and because there is no visual contact this means that the cashier cannot be intimidated into handing over cash. Equally important, the screen allows complately open counters with no barriers to staff-customer contact.

Fichet-Beucha have installed several thousand of these screens in bank buildings on the Continent and about 30 in the UK.

Tha Alliance Building Society branch at Swiss Cottage in North London had been "successfully" hit six times before screens were installed. Four unsuccessful raids have since been carried out and an increase in hold-ups at other nearby targets suggests the raiders are turning elsewhere.

The screen has a base unit installed under the counter containing the armour plated panel, a counter-weight and an electric motor to drive and brake the panel. Tha base unit itself is armour clad to stop bullets penetrating the counter. Counter staff activata the screen by pressing a button or by e foot pedal.

An improved version has now been developed with greeter bullet resisting qualities which lifts the cashier's side of the counter with the screen into an oblique angle position. This is more likely to deflect any attempt to block the mechanism and can be installed more cheaply.

CHARLES BATCHELOR

Computers

Bartering goods by machine

APPARENTLY the age-old practice of bartering is alive and well in the UK and computer technology is being employed to bring the system up to date.

Central Trade Exchange in Dunstable is using a microcomputer to match potential bartering partners. The exchange is a clearing house for more than 2,000 members. It uses an Alphartronic P3 computer and software developed by Plus Business, a Triumph Adler subsidiary.

The software is basically a database management system and an accountancy package which sets a value on each good to be bartered. More details are available on 01-250 1717.

Modems

High speed modem range

PARADYNE, a manufacturer of high speed modems and IBM network communication systems is to launch three new ranges of modems this month. These include two sets of high speed modems in its MPX and ISP ranges and a 14.4 kbits/sec modem fitted with a 16 port multiplexer. Mora details on Windsor 56712.

APPOINTMENTS

Senior posts at Miller Buckley

The MILLER BUCKLEY GROUP has appointed Mr Michael Duncombe as managing director of the trading division, Rugby. Mr Duncombe was formerly sales and marketing director with a thermoplastics manufacturing company, Kairn Chemicals. Mr Keith Hainsworth, managing director of Miller Buckley Developments has also been appointed managing director of Miller Buckley Leisure. Two appointments to the board of Buckley Investments Services are: Mr Alan Crowson group chief accountant; and Mr Robert Phillips, computer systems director.

★

Mr Nicholas F. Smith has joined NORWEST AMERICAN BANK in London as an Associate Director. He was a vice-president at International Energy Bank in the corporate finance department.

★

Mr Malcolm Winston, senior assistant general manager of Central Trustee Savings Bank, has been elected chairman of the ASSOCIATION OF INTERNATIONAL SAVINGS BANKS in London in succession to Mr Richard Robertson, deputy chief manager London, Commonwealth Savings Bank of Australia.

★

Mr Peter G. Baines has been appointed an associate director of LLOYD'S LIFE ASSURANCE. He will be e member of the board's executiva committee.

★

Mr Keith Craney has been promoted to the newly-created post of technical director of PRONTAPRINT. He joined the company 18 months ago to head its technical services operations.

★

MARUBENI-KOMATSU, Redditch-based UK distributor of Komatsu construction machinery, has appointed Mr Masami Harada as managing director in succession to Mr Masahiro Hoshina. Mr Harada has been deputy managing director of Marubeni-Komatsu for fiva years. Mr Hoshina is taking over responsibility for all Komatsu's European and African operations. He will remain a member of the Marubeni-Komatsu board.

★

Mr P. K. Thomas has been appointed to the board of HOPKINSONS HOLDINGS as director of finance. He was previously chief executive of the subsidiary company Hopkinsons and he is succeeded by Mr H. R. G. Nelson.

★

Mr David Morse has been appointed director of investment of the WATER AUTHORITIES' superannuation fund. He was with the Banque Nationale de Paris Group.

★

Ms Christine Downton, who was a director of the COUNTY BANK in 1981, will be rejoining the board in January 1984. She will also be appointed joint managing director of County Bank Investment Management. Since 1981 Ms Downton has been in New York as a senior consultant to the president of the Federal Reserve Bank of New York and latterly with James D. Wolfensohn Inc.

★

Mr John G. Andrews has been appointed a director of REYNOLDS BOUGHTON. He was sales and marketing director of Scammel Motors.

★

Mr M. R. Lampard has joined the board of LRC INTERNATIONAL as a non-executive director.

★

Mr Iain Herbertson has been appointed sales director of REALMHEATH VIDEO which in conjunction with the Post Office is launching a national video-based advertising medium to be called QTV. He joins from Argus Specialist Publications where he was advertisement director. QTV is being launched in 500 main Post Offices throughout the country on November 14 and will show continuously throughout the day a 15-minnte programme of commercials.

Mr Masami Harada, managing director of Marubeni-Komatsu

★

Mr W. A. Cosgrove, general manager of the COLNE VALLEY WATER CO., has been appointed a director.

★

Mr Michael J. Boxford, group chief executive of Boosey & Hawkes, has joined the board of JOHNSEN & JORGENSEN PACKAGING as a non-executive director. Mr I. B. Throndsen has retired from the board. He is 75.

★

ARTHUR MAIDEN has appointed Mr Richard Naylor as development director. He comes from More O'Ferrall.

★

Mr John R. Tierney has joined CONTINENTAL BANK to head the financial futures division in London. He replaces Mr Stephen Balsamo, who has returned to the bank's headquarters in Chicago to manage the worldwide financial futures. Mr Tierney had been with National Westminster Financial Futures.

★

Mr Allan B. Cheesman has been appointed departmental director—beer, wine and spirits departments at J. SAINSBURY. He has held various posts in the off licence department.

★

Mr P. Brazington has been appointed to SHEAFFER's UK divisional board as administration director. He joins from Morgan and Grundy where he was financial director.

★

The CIVIL AVIATION AUTHORITY has appointed Dr W. J. Strang to be chairman of the Airworthiness Requirements Board on the retirement of Dr G. S. Hislop who has completed his agreed term of office. Dr Strang has served as a member of the ARB, nominated by SBAC, since its formation in 1972 and was recently appointed as an independent member of the ARB following his retirement from British Aerospace.

★

Mr Alun Daniel has been appointed executive director (administration) of the WELSH DEVELOPMENT AGENCY. He will be responsihle for the WDA's legal, financial and personnel services. He will also direct the work of the Agency's Small Business Unit and business counsellors and will continue to act as the Agency's legal director and secretary, a post he has held since January 1982.

★

Mr Andrew D. Leitch has been appointed managing director of PPR SECURITY GROUP, a subsidiary of Erskine House. The appointment follows the retirement of Mr Jim Hargadon as both managing director of PPR Security Group and a director of Eskine House.

★

Royal Doulton finance man

ROYAL DOULTON TABLEWARE (HOLDINGS) has appointed Mr Peter T. Walley as finance director. He joined the Royal Doulton Group in 1970 as company secretary/management accountant of Minton, and was appointed finance director of the gronp's retail division in 1976. He succeeds Mr G. C. Cooper who is leaving the company to pursue other business interests.

★

Mr Dick Bond will be retiring from the board of THOMAS FORMAN AND SONS, Nottingham, on October 31 after 34 years' service with the Mardon Packaging Group. Mr Ken Aldred, currently director of the label division, will be appointed director of the calendar division from November 1. Mr Noel Marshall, currently managing director of Forman Marshall has joined Thomas Forman and on November 1 will be appointed director of the label division. Mr Frank James has been appointed managing director of Forman Marshall. He will retain his present responsibilities as managing director of Cundell Cartons, Witham. These are Mardon Packaging Group companies.

Mr Michael Duncombe, trading division managing director, Miller Buckley Group

★

Mr J. P. Abel, managing director of LEYLAND PAINT AND WALLPAPER, wallcoverings division, has retired. The group managing director, Mr D. C. Wall has taken responsihility for the management of the division. Mr Dennis Wood, a director of Leyland Paint and Wallpaper and president of its associated company, Berkely Wallcoverings Inc. of Canada is joining the board of Leyland Walcoverings with special responsihility for strategic planning.

★

Mr Martin Cawood has been appointed sales director for NORTON TELECOMMUNICATIONS, Luton. He joins from Plessey Communication Systems.

★

LUFTHANSA has appointed Mr Anton Wellenreiter as director UK, and Ireland. He is succeeding Mr Martin Landgrebe, director UK and Ireland for the past five years, who is going to a similar post in Hong Kong. For the last five years, Mr Wellenreiter has been director for Australia and New Zealand with headquarters in Sydney.

★

WIGHAM POLAND REINSURANCE BROKERS has appointed Mr John Batsford as a director and Mr Laurie Marnes as an associate director.

★

A. QUILIGOTTO AND CO. has appointed Mr S. Sunter as contracts director, who joins the company from Fairclough Scotland where he was divisional director.

★

Mr Graham Parker has been appointed to the board of N. M. ROTHSCHILD & SONS.

British Gas planning officer

Mr Patrick Weatherill has been appointed chief environmental planning officer at BRITISH GAS. He was assistant manager (projects) of the machinery department. As chief environmental planning officer, his main responsibility will be to obtain sites for the construction of new installations on the national transmission system, ranging from small plots for radio masts to those for major natural gas terminals or compressor stations.

★

The Social Services Secretary has approved the appointment of Dr John Spackman from October 31 to e new post of director of operational strategy for social security. The aims of the strategy are improvements in service to the public, more satisfying jobs for staff and significant savings in administrative costs. Dr Spackman is currently director of supply computer services in the Ministry of Defence (Army).

Mr Allan Cheesman, beer, wine and spirits departmental director, J. Sainsbury

★

Mr Richard Burgess, currently company secretary and group accountant of SPEYHAWK has been appointed to the board of Speyhawk Land and Estates, as financial director. The subsidiary has also appointed to the board Mr Andrew Whitehorn, who is currently the group's senior davelopment manager.

★

Mr Anthony Thatcher, who was appointed managing director of DOWTY GROUP'S electronics division in July, has joined the group board.

★

Professor John Small, immediate past president of the Association of Certified Accountants, is to be the new chairman of the COMMISSION FOR LOCAL AUTHORITY ACCOUNTS IN SCOTLAND. He will serve for four years until September 30, 1987.

EUROPEAN JUSTICE

Why criminologists would scrap incarceration of offenders

Academic criminologists are looking to functional alternatives to criminal justice for maintaining social control. JUSTINIAN reports on last week's international congress in Vienna.

NOTHING LESS than the abolition of criminal justice was the topic of last week's ninth International Congress nn Criminology in Vienna.

What was being discussed in earnest was what strategy these academic criminologists should adopt in enlightening the puhlic and prodding politicians to bring about a massive demolition job on a major institution of western society, the criminal law.

The case for abolition was put engagingly and persuasively by a leading proponent of abolition, Professor Louk Hulsman from the law faculty of Erasmus University in Rotterdam. Social relations, he proclaimed, produce a whole range of problems that require resolution if peaceable order is to be maintained.

Some agency of the state necessarily is involved in resolving many of these problems. That ordinarily is the police. At the first moment of official interventinn there is no problem, other than that requiring resolution. The police intervene, and frequently that initial intervention suffices to produce a reasonably satisfactory solution to the particular disturbance of the social equilibrium.

Something becomes the concern of the criminal justice system only as and when the police cease to respond to the wishes and interests nf the disputants concerned in the trouble that has aroused outside interference.

As soon as the police make a report on the incident, they do so with the sole purpose of the incident being referred to the institutions of criminal justice. The moment that the police do report to the prosecuting authority (the pubic prosecutor) the criminal justice system in all its majesty is wheeled into play.

In making their choice to report to the prosecuting authority, the police no longer look to resolution of social situations but instead are directing attention exclusively to the criminal law. On that basis they make their decisions and take action. Until that moment of choice, what has been happening is not criminal justice but social intervention.

Thereafter, the inexorable process of the criminal law and procedure is focused on one person (or sometimes a group of people) – the perpetrator of some anti-social behaviour that is dubbed by the law as crime. If convicted by the courts, the perpetrator must undergo some punishment – if a serious offence it will be imprisonment.

The community directly concerned in the incident, the public and the victim (except to the extent that he or she may be a witness at the perpetrator's trial) are left to their own devices. They are mere spectators of the cumbersome, costly and ineffective functioning of the criminal process; ineffective, because criminologists over the years have demonstrated fairly conclusively that there is in practice no causal connection between crime and punishment.

What the criminal law does to offenders is irrelevant to both the rate and nature of crime in society. In short, criminal law, as we know it, is *less* than helpful in resolving troublesome social situations. Indeed, it is positively harmful to the perpetrator and does nothing to assuage the injured feelings of the victim or generally to compensate him.

The cry of the criminologists is, let us be rid of this system that merely serves to reinfarce the political power of the state, to no discernible advantage to its citizenry. As one criminologist observed, with no little regard to present political philosophy, the call is for the privatisation of human conflicts. The state must provide the means by which human conflicts can be satisfactorily resolved, but it must be non-interventionist in affecting the result desired by those party to the incident and to the public.

If all this is heady stuff for anyone but the committed criminologist, the audience was reminded that 98 per cent of all legal conflicts between individuals in society today do not in fact come before the courts. To abolish criminal justice would simply thrust the 2 per cent of problems into resolution by the same means. The mental health system is one agency for dealing with the more intractable human conflicts in modern society which communities may not be able to solve themselves.

Functional alternatives, such as religious bodies, must supply the necessary social control. Indeed, the criminologists were at pains to say that in no sense did they desire to abolish social control; only that criminal justice is a hopeless system to achieve it. In any organised and well-ordered society social control is vital.

The criminologists who spoke at Vienna last week were ready to blame themselves for having, in part, been responsible for sustaining the system they wish to destroy. They had been vigorons participants in the penal reform movement of the 20th century. They had been among the loudest proponents of ideas of rehabilitation and treatment of offenders on the medical model in penal systems.

Lurking behind the criminologists' *volte face* lies the desire to abandon the notion of the individual citizen's moral guilt for anti-social behavinur, which in turn supports the concept of criminal responsibility and the sanction of punishment for those personally responsible for crime. The replacement of systems of punishment by reparatinn for harm done is the viable goal of the criminologists.

It is at that point that the criminologists recognise that they are totally at odds with public opininn and political reality.

UK NEWS

LABOUR PARTY CONFERENCE

Delegates fail to be roused over issue of union democracy

BY JOHN LLOYD, INDUSTRIAL EDITOR

Mr Eric Varley

LABOUR'S debate yesterday at its annual conference in Brighton on the Government's forthcoming legislation on democracy in trade unions was brief, dull and low-key. That was the extraordinary thing about it.

The proposals advanced by Mr Norman Tebbit, the Employment Secretary, include a provision for periodic ballots on unions' political funds – and might include one on contracting into the funds – which could, on informed estimates, cut the party's annual income of less than £4m by more than half.

The legislation will also insist on ballots on union leadership and strikes which, the unions believe, could be enormously disruptive of their internal structures. Mr Tony Mulherne, one of the many articulate supporters of the far left Militant Tendency at the conference, told an apparently indifferent ball that this was the central issue for the Labour movement.

Yet the motion condemning the Government's legislation was moved and seconded by middle-ranking union officials, supported by left-wing constituency delegates. It was summed up by a lacklustre speech from Mr Eric Varley, the Opposition spokesman on employment, who did little more than repeat Labour's pledge to repeal the legislation.

Not one of the major union leaders spoke, nor tried to. They did not take a collective decision to abstain: quite simply, none thought it worthwhile.

It was the first and graphic example of the so-called "weakening of the links" between the party and the unions for which the Trades Union Congress was widely said to bave opened the door.

This weakening will not – it is now obvious – take the form of a dramatic rush of disaffiliations, or cancellations of payments or violent anti-party speeches. It is simply a quiet recognition that, for the moment, the party caooot help the unions and that the decisions to be taken in this area will be confined to independent unions and the TUC General Council.

By their silence – by being the dogs who did not bark – the major union leaders served notice to those in Labour's leadership who could interpret the signal that, on the central issue of trade unionism and trade unions' relations with government, the TUC would go its own way.

It will not ignore the party's views and it will continue to attempt to influence them. But the unions will talk (or not talk) to Mr Tebbit as they feel it benefits them and their members. The party's interests will figure – but less so than before.

Irish policy challenge defeated

BY KEVIN BROWN

MR DON Concannon, Labour's parliamentary spokesman on Northern Ireland, was hissed and booed as he walked to the conference rostrum yesterday to defend the party's official policy on Northern Ireland.

Party activists clearly supported resolutions calling for talks with Sinn Fein, withdrawal of support for the Northern Ireland Assembly, and the end of the bipartisan approach to Ireland at Westminster.

But with the national executive committee (NEC) opposed to any policy change, the resolutions were heavily defeated, with the trade unions wielding their block votes in support of the leadership.

The debate underlined the deep divisions in the party on Northern Ireland, between the leadership, represented by Mr Concannon and Mr Alex Kitson, a trade union member of the NEC, and the left, led by Mr Tony Benn.

Mr Concannon had to shout through a barrage of slow handclaps to explain Labour's policy of unification of Ireland with the consent of both communities in tha north.

Ending the Unionist veto on unification meant getting rid of a million people who believed Northern Ireland belonged within the UK.

Mr Concannon roundly attacked the demand for talks with Sinn Fein, which he said was indistinguishable from the Irish Republican Army (IRA).

Football club hits a City winner

By Ray Maughan

TOTTENHAM Hotspur (Spurs) turned on the style in front of its supporters and the City of London yesterday when its £3.8m offer for sale was heavily oversubscribed.

The offer attracted some £17m which was some 4½ times the asking rate.

Acorn Computers, which developed the BBC's successful Microcomputer, did less well with its offer for sale by tender on the unlisted securities market (USM).

The offer of 11.23m shares to raise £13.5m at a minimum price of 120p was barely over-subscribed and, although the price has not yet been fixed, Acorn will probably start at about its minimum price.

Given its activities in the glamourous electronics communications market, Acorn was expected to coast to an easy USM victory. The issue, however, appears to have been hit in its later stages by the much publicised troubles of the U.S. home computer market.

Spurs put issue applications in the programme for its televised league match last Sunday and a good proportion of the 30,000 crowd appear to have reached for their cheque books.

Minimum subscription was £100 and the issue price was £1 per share. The club will be weighting allotments toward its supporters.

Tottenham Hotspur has issued 41 per cent of its equity but the market in the shares is expected to remain limited.

Leyland regains car market lead from Ford

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL, the state-owned vehicle group, took car market leadership last month, the first time since January 1979 that it had been ahead of Ford.

BL's Austin Rover subsidiary claimed the result "reflects the steady progress we have been making and the hard work we have put in" and pointed out that it sold 6,000 more cars last month than in September 1982.

However, its rivals suggested that BL's market share improvement, from 16.22 per cent in September last year to 20.79 per cent last month, resulted from the major incentive campaign which took effect at the end of August and offers dealers up to £450 per car in extra bonuses.

Ford said that several special factors, including a strike by an independent contractors' delivery drivers and the and of an incentive programme, had cut its market share to 19.47 from 29.36 per cent in September compared with the same month last year.

Some observers had expected a collapse in car sales after the A registration boom in August. But total September registrations at 118,475 were 3.9 per cent up on the same month a year ago.

According to the Society of Motor Manufacturers and Traders, sales for the nine months were a record 1,464,052; an increase of 17.7 per cent on the same period of 1982.

Importers last month won their highest market share since August 1981 with 61.03 per cent against 58.7 per cent in September 1982. For the nine months the importers' penetration was down from 58.18 to 57.04 per cent.

● BL is to hold an extraordinary general meeting on October 31 to remove a technicality which would prevent the Government issuing any of the outstanding £200m promised to the group.

The present arrangement prevents the Government buying more shares in BL if the stock market price is above the par value of 50p. The shares have been well above that level for some months, reflecting shareholders' hopes that they would have to be bought out before BL could be split up and various operations sold off.

BL drew its last tranche of state cash, £110m, in exchange for new shares on March 28 thia year and insisted yesterday there was "no desperste need" for any more at the moment.

BL deal for Ital in Pakistan

BY JOHN ELLIOT IN LAHORE

BL HAS reached agreement in principle to ship its Ital car production line from the UK to Pakistan in stages during the next three years subject to approval from the Pakistan Government. The venture would cost £25m involving Middle East capital in partnership with BL and Associated Agencies of Lahore.

BL, which failed to persuade the Indian Government to buy the production line nearly two years ago, is pressing Pakistan for an urgent decision.

Productioo in Pakistan is scheduled to start within a year of a deal being signed. It could provide BL with almost £8m in cash and just over £1.5m in an equity stake in the company involved.

The major snag is opposition from Pakistan's Production Ministry, which is responsible for a public sector venture that has just opened Pakistan's only existing car factory to produce an 800cc Suzuki car from Japan.

Other ministries, however, are believed to be in favour, and General Zia-ul-Haq, the Prime Minister, saw one of four Itals imported into the country recently. Most cars in Pakistan are imported from Japan using money earned by Pakistani workers employed abroad.

Associated Agencies is a 20-year-old business owned by the Ahmed family which has produced television sets with NEC of Japan since 1973 and is Dunlop's local agent. It is now starting to produce tractors in partnership with IMT of Yugoslavia and a Chinese company.

It ia also finalising a draft agreement with Lucas Electrical of the UK to produce starter motors and alternators, and is negotiating with Smiths Industries on vehicle instrumentation. Its main financial backer for the new projects is the Al Ghurair group of Dubai, which owns the Bank of Oman.

The company's recent developments form part of an expansion of the motor industy – especially tractors and commercial vehicles – which the Government is saying should be Pakistan-based.

Howell returns to criticising Cabinet

By John Hunt

MR DAVID HOWELL, who lost his job as Transport Secretary in the last Government reshuffle, last night renewed his criticism of the Government and said that progress in implementing Conservative policies had been profoundly disappointing.

The main complaint of Mr Howell, who is oo the right of the party, was the failure to reduce taxation. He also wanted greater capital investment on infrastructure, curtailment of current government expenditure, more progress on privatisation and bigger incentives for small businesses and entrepreneurs.

With the Tory party annual conference starting in Blackpool next week, his remarks, made in Crossbow, the journal of the Conservative Bow Group, coincided with criticisms from other members of the party.

The Editor of Crossbow, Mr Nirj Joseph Deva, warned that unless the Government improved its economic performance it could lose the next general election.

He wrote in an editorial: "If things go on us they are, with taxation at absurdly high levels, with businesses going bankrupt at a record and rising rate and the cost of the Welfare State escalating, the people's judgment will be harsh the next time."

There was also an outspoken attack on the Prime Minister from Lord Alport, the Tory peer who is a former Commonwealth Relations Minister

In a letter to the Times he claimed that Mrs Thatcher showed an apparent vindictiveness and lack of magnanimity.

All quiet as radio station colapses

By Raymond Snoddy

CENTRE RADIO, Leicester's independent local radio station, has ceased trading and is to go into liquidation. It is the first commercial local radio to collapse.

In recent months the Independent Broadcasting Authority (IBA) deferred £83,000 in transmitter rental payments and was prepared to write this off and defer future rentals if the directors and shareholders had been able to put forward acceptable proposals for the injection of further funds.

Centre Radio went on the air two years ago and was the 30th independent local station. It faced competition from the BBC's local station and from a strong evening newspaper. Losses were £250,000 in the first year and £125,000 in the second year.

Mr Tom Cook, the station's news editor, said yesterday that for the past couple of months the station had been trading at breakeven point but had run out of capital. Thirty staff have lost their jobs.

An effort was made to inject new cash into the operating company, Leicester and Leicestershire Local Radio, by Mr Geoffrey Pointon, through a company called Crestnote. This was rejected by the IBA partly because the move was seen as a takeover.

Firemen set to break through 3% pay limit

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITAIN's 42,000 firemen are set to become the first workers to break through the Government's 3 per cent cash limit pay target for the public services.

Intensive negotiations are about to begin between firemen's leaders and fire authority employers to produce a pay increase based on the wages formula that ended the 1977–78 firemen's strike. The rise will clearly be more than 3 per cent.

The basis of the formula, according to the Government's annual New Earnings Survey, is the movement in the top 25 per cent of outside earnings, a "snapshot" of pay levels taken every April.

This year's survey, to be published next week by the Department of Employment, will show the 1983 upper-quarter figure to be £165.40, a rise of £10.80, or 6.98 per cent on the 1982 figure of £154.60.

Because it is taken in April and the firemen settle in November, the figure has to be updated by the Government's monthly average earnings figures. The next set of these will not be available until October 19.

Once the NES figure has been updated, firemen's earnings are set against it to produce the rise for the firemen. However, firemen and their employers are now dissatisfied with the Government's figure for firemen's earnings, because the sample it uses of about 200 is too small, and because it includes higher-paid firemen and non-Fire-Brigade staff, such as firemen employed at airports.

Accordingly, for the first time this year, the unions and the employers have conducted a joint survey of the earnings of about 7,000 ordinary firemen, and the computer results of that are expected to be available to the parties next week. Although no agreement on it has yet been reached, firemen hope that this survey will for this year, and for the future, supplant the Government's figures.

Once the latest earnings figures have been published, the executive of the Fire Brigades Union will meet the following day to consider the increase produced, and a joint meeting with the employers the day after that is expected to reach an agreement on the increase, which will be the first public-sector deal in the new wage round and the first to break through the 3 per cent target.

Firemen's earnings, however, will be reduced by 2 per cent from November 1 because of the second stage of an increase in employee pension contributions.

The NES will also show next week an increase in overall average earnings, for male manual workers over 21, of 8.41 per cent.

British Telecom's pledge on charges

By Guy de Jonquieres

BRITISH TELECOM (BT) said yesterday that it would not increase charges for at least 12 months after its planned 2.9 per cent average rise takes effect next month.

The organisation rejected, however, a demand by the Post Office Users' National Council (Pounc) that it defer the planned 2.9 per cent rise until next April. Pounc had urged BT to seek savings through further improvements in efficiency.

BT said that the increase would be the first for two years and was needed to meet the Government's financial targets, to keep its business on a sound financial footing and to continue its investment programme, which is valued at almost £2bn this year.

It was not prudent BT said, to budget for further improvements in efficiency beyond the current programme, worth about £300m this year.

Charges for the residential subscriber are due to rise by an average of 3.2 per cent next month, while the increase for business customers will average 2.7 per cent.

BT said that there would be no increase in charges for basic domestic service

TOTAL OF 300,000 POSTS WENT BETWEEN 1977–82

Decline of 5% in public sector jobs

BY ROBIN PAULEY

IN THE five years after the first oil shock some 600,000 new, and often highly paid, jobs were created in Britain's vast public sector.

Now, a decade after that shock and after one of the worst recessions, half of those jobs have disappeared again.

The loss of 300,000 jobs might seem a lot but against the total numbers employed in the public sector – more than 7m – the fall between 1977 and 1982 was less than 5 per cent.

This partly justifies the cry from the private sector that its workforce was bearing virtually the entire burden of the recession through closures and redundancies while the public sector remained relatively protected and cushioned from the harsh realities of the market place.

The position is even starker when the change in numbers employed between 1981 and 1982 is considered. The job loss was only 2 per cent or 156,000, and this figure is reduced still further in reality because around 100,000 jobs in the period were reclassified into the private sector.

The growth of the public sector over the years is demonstrated in the table which shows a rise of 71 per cent in the numbers employed in public corporations and an increase of 52 per cent in health service jobs.

It is only in recent years that calls for public spending cuts has resulted in pressure for fewer employees in the public sector. This contrasts with the earlier policies of governments of both parties which encouraged additional public sector jobs.

Increased local authority responsibilities, for example, have required more staff, and manpower levels mushroomed as a result of the Conservatives reorganisation of local government in England and Wales in 1974.

By the same token, the present Government's policy is that police and law and order manpower should be increased.

Although numbers of traffic wardens and court staff have risen it has proved difficult in practice to increase significantly the number of uniformed policemen.

In the past year, for example, the total number of uniformed police has risen by only 0.6 per cent and the number of police cadets has fallen by 18 per cent.

The size of the administrative machine grew sharply between 1973 and 1977, up by 45,000 of 6½ per cent. The Government started to cut it back in 1980 and is on target for a service of 630,000 by 1984 which will be its smallest size since the Second World War.

A further cut of 5 per cent during the present Government's life is being considered, and again the industrial civil servants are likely to bear the brunt.

	Number employed (thousand)				Percentage change			
	1982	1981	1977	1973	82/81	82/77	77/73	82/73
Public sector total	7,036	7,192	7,378	6,778	−2.17	−4.63	8.85	3.81
Central Government & local authorities total	5,277	5,325	5,289	4,888	−0.90	−0.23	8.20	7.96
Central government	2,346	2,359	2,305	1,998	−0.55	1.78	15.37	17.42
Local authorities	2,931	2,966	2,984	2,890	−1.18	−1.78	3.25	1.42
Nationalised industries (incl. Post Office)	1,487	1,586	1,803	1,731	−6.42	−17.53	4.16	−14.10
Other public corporations	272	281	286	159	−3.20	−4.90	79.87	71.07
National Health Service	1,287	1,264	1,155	848	1.82	11.43	36.20	51.77
Local authorities								
Education	1,483	1,505	1,556	1,436	−1.46	−4.69	8.36	3.27
Health & social services	352	350	322	315	0.57	9.32	2.22	11.75
Construction	132	143	155	130	−7.69	−14.84	19.23	1.54
Police (incl. civilians)	201	200	184	162	0.5	9.24	13.58	24.07
Other local authorities	763	768	767	848	−0.65	−0.52	−9.55	−10.02

Notes: 1 Most of the aerospace and shipbuilding industries were nationalised in 1977, resulting in the transfer of about 150,000 from the private sector.
2 The establishment of HMSO from April 1, 1980 as a trading body implies the transfer of about 6,000 to public corporations.
3 British Aerospace was reclassified to the private sector February 1981, reducing public corporations' employment by about 73,000.
4 Cable and Wireless was reclassified to the private sector in October 1981 and National Freight Corporation in February 1982, together reducing public corporations by about 28,000.
5 In 1974 most water services previously undertaken by local authorities passed to regional water authorities classified as public corporations.
6 1981 figures – preliminary estimates based upon data covering nearly 95 per cent of the central-government sector; these should not be regarded as accurate to the last digit shown.

Shipyards warned of job loss risk

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH SHIPBUILDERS, which will confirm to unions next Wednesday that over 5,000 jobs remain at risk, faces further merchant yard closures if no new orders come in soon.

The dire state of the world shipbuilding industry means that no recovery, and then only a slow and erratic one, is expected until the middle of 1984.

With demand from shipowners poor and a severe price gap with Far Eastern yards – especially in South Korea – state-owned BS's share of the world market is expected to fall even further from the present 3 per cent.

Some of the smaller merchant yards, notably Goole Shipbuilders, Clelands Shipbuilders on the Tyne, and Henry Robb in Leith, Scotland, have their last ships being completed in the water and no more orders.

Smith's Dock, a larger yard on the Tees, is in the same position, but is well regarded by customers and is bidding for work. The Ferguson-Ailsa yards at Troon and Port Glasgow are also running out, but hope to win a ferry contract.

BS, now headed by Mr Graham Day who succeeded Sir Robert Atkinson in September, lost £117m at the trading level in the year to March 31, 1983, and is heading for a further deficit this year.

It asked the workforce of just over 60,000 for 3,700 voluntary redundancies by early October. More than 3,000 workers have taken the offer, with more expected shortly.

But this still leaves over 5,000 jobs at risk by next March, unless new work comes in. While new business is being negotiated for, no decisions on a number of projects are expected from potential customers until mid-1984.

● Leaders of the country's 62,000 shipyard workers said in Brighton yesterday that they would not accept a pay freeze for the coming year, writes John Lloyd, industrial editor.

They are to meet Mr Graham Day, the new chairman of British Shipbuilders, next Wednesday to hear Mr Day's review of the industry's prospects and to begin talks on their "substantial" wages claim.

Jenkin changes stance on council abolition

BY ROBIN PAULEY

THE GOVERNMENT is to publish a long series of Green Papers (consultation documents) on all the issues that they have found impossible to resolve in the White Paper (policy document), to be published today, on the abolition of the Greater London Council and the six English metropolitan counties.

This is the only way forward on the issue for Mr Patrick Jenkin, the Environment Secretary. He is anxious to publish the proposals now to defuse the anger expressed in motion about the Government's failure to reform rates (property taxes) to be debated at next week's Tory Party conference. His officials have run into increasingly serious technical difficulties on virtually every aspect of abolition in recent weeks.

Mr Jenkin, aware of the difficulties from an early stage, had always said today's White Paper, proposing abolition by April 1986, would be "tinged with green." But as officials have become less and less confident about the practicalities of abolition without expensive confusion, pressure for more of the issues to go for the sort of full consultation implied by Green Papers has mounted.

There will therefore be at least five, beginning early next week with a Green Paper on planning, followed in quick succession by Green Papers on housing in London, transport, waste disposal, and support for the arts.

New laws on insolvency get go-ahead

Financial Times Reporter

SIR KENNETH CORK, liquidator to famous company collapses from Stern to De Lorean, has won his battle to reform insolvency law.

Mr Cecil Parkinson, Trade and Industry Secretary, told Sir Kenneth yesterday that a white paper – a government policy document – based on the recommendations of his insolvency law review committee, will be published early next year in time for legislation in the 1984–85 parliamentary session.

Persistent lobbying from Sir Kenneth, with support from all parties, has overcome the Government's reluctance to introduce further major company law legislation after two recent, extensive companies Acts.

Sir Kenneth believes the Bill will include most of his committee's recommendations. He said: "At last, cowboy liquidators will be outlawed, irresponsible directors will be disciplined and for the first time a full-time administrator can be appointed to a company when it is in trouble."

Talks on reforms in the City must wait

By Ray Maughan

THE STOCK EXCHANGE will wait for the Government to table the appropriate legislation before consulting members about the method of dismantling fixed commissions and settling the question of limited liability of stockbroking firms.

Sir Nicholas Goodison, chairman of the stock exchange, has told members in his latest explanatory letter that the stock exchange's extraordinary meeting on October 11 is concerned solely with the constitutional changes to the deed of settlement.

The stock exchange must win a 75 per cent majority of members at the meeting for the resolution calling for the appointment of lay members to its council, a change in the numbers of council members, now 47, and the establishment of membership appeals and disciplinary appeals committees.

Sir Nicholas said the council had received e large but by no means complete response to the resolutions before the extraordinary meeting and would not be able to predict the outcome until the major stock exchange users and trade associations had made their views know more fully.

In a further briefing yesterday, Sir Nicholas emphasised that while the council was devising contingency plans in readiness for the final dismantling of the commission structure, it would be "lunacy to take rushed decisions on how to do it before we have gone through the full consultative process."

Overseas securities trading may be the first area of change but the council "has no present intention" of changing either single capacity – the unique London system which splits the function if stockbroker or agent, and jobber or market maker.

The compensation funds, too, would not face immediate change.

CALL FOR GOVERNMENT CONTROLS

University seabed planning post created

BY ANDREW TAYLOR

GOVERNMENT planning controls, administered by highly qualified academically trained specialists, should be extended to the development of the seabed, according to a lecture given by Professor Donald Denman, Emeritus Professor of Land Economics at Cambridge University.

The lecture marked the founding by the London School of Economics and Political Science of "the first post in any Western university devoted to the academic study and teaching of planning and management of the seabed."

Prof Denman drew "attention to the need for scholarship and trained minds capable of discerning planning and management patterns" to take best advantage of seabed assets as these are developed.

He saw an extension of the relationship between a state administered planning regime and property development industry as a basis for future undersea development. This would require highly trained specialists sensitive to the requirements of the developer and the wider needs of the community.

Prof Denman said despite various international conventions which had widened national jurisdictions over the seabed: "there is little evidence, as yet, that equipped with new authority and responsibility, individual nations have considered, let alone implemented, planning and management policies for the seabed.

"Whatever the constitional argument may be," said Prof Denman, "logically there is no reason why the planning principles and practice which impose a public control over land use should not be extended to the seabed.

"Following the landward precedent, planning extended to the seabed and seas would operate through planning authorities imposing restraints on the exercise of rights of ownership over the seabed and could catch up in itself the existing public controls over fishing practice and other pursuits.

"It would be necessary to have something like a General Development Order specifying in some detail what uses and developments would be permitted," said Prof Denman. He stressed that any planning control structure would fail unless it had well defined aims.

"We have only to look at our own town and country planning law to realise that an immense body of legisletion can pass through parliament, setting up a national network of public planning authorities, without once specifying the purpose for which a statutory authorised plan has to be made. No wonder so much confusion reigns over what planning is expected to do and not to do."

Prof Denman stressed the need for highly trained specialists to produce clear-sighted planning and management.

"Some years ago I was making estimates and talking to an overseas Minister of Economic Planning. We were discussing a vast seabed reclamation where an extensive landmass of potential farmland had been raised above the waves," he said.

"I asked who was responsible to government for the future development and management of this fertile domain. The reply was: "We leave all that to the engineers."

Prof Denman argues that the developer and manager of assets has neither "scope nor time to see what is happening from afar. The academic is better placed; he can be the standback man.

"Academic critique can be invaluable to the practical and committed man, provided the academic is able and ready to listen and learn from the operator, the man with the levers in his hands."

Hoare Govett heads overall market league

BY BARRY RILEY

THE RANKING order of London's big stockbroking firms is revealed in a confidential survey of the investment patterns of 186 leading investment institutions.

Indications of the commissions paid to individual firms provide a unique glimpse of their market shares – hitherto undisclosed because almost all the leading firms are partnerships which take advantage of secrecy privileges.

In the UK equity market Hoare Govett emerges as the clear leader with a 6 per cent share of institutional commissions, with Wood Mackenzie as runner-up.

In gilt-edged (government securities) the picture is quite different, with three firms tying for first place with a 10 per cent market share. They are Grieveson Grant, W. Greenwell and Mullens.

On an overall market share basis – taking in UK equities, gilts and foreign equities – the leader is again Hoare Govett, with 7 per cent, Grieveson Grant is second with 6 per cent, and a group of five firms with 5 per cent each includes James Capel, Philips and Drew, Scrimageour Kemp-Gee, W. Greenwell and Wood Mackensie.

The survey has been sponsored by 16 of the leading firms. Fieldwork was carried out in May and June this year by the market research firm City Research Associates.

The only published rankings of UK stockbroking firms are those produced by Continental Illinois.

Broker concerned over Argentine reinsurer

BY JOHN MOORE, CITY CORRESPONDENT

MORE THAN 300 international insurance groups have been urged to become "more closely involved" in negotiations with an Argentine reinsurer that owes them millions of dollars in outstanding reinsurance claims.

The advice was given by C. E. Heath & Co (Insurance Broking), a leading British insurance broker, which reinsured – or laid off – the risks of the companies with the Argentine company, Rasa-Reafianzadora y Reaseguradora de America.

C. E. Heath, in a controversial letter, told the insurance companies for which It acts as brokers: "We are concerned at the recent failure of Rasa to settle accounts and have been conducting extensive negotiations with them for payment."

It continued: "As a consequence funds have been forthcoming, but in view of the large balances due and unsettled we consider it desirable that all our principals should be fully informed of the situation and become more closely involved in negotiations for the continued handling of this account."

Heath's move angered the Argentines, who claimed in their own letter to the insurers that Heath's correspondence was "unrestrained and unauthorised. Rasa has argued that some of the outstanding balances are "items which Rasa has not agreed."

Rasa, which is incorporated in Panama, said that it had passed through a period of financial difficulties

Public spending fears 'much exaggerated'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE GOVERNMENT'S anxieties about the trend of public spending for the rest of this decade are much exaggerated, says the Institute of Fiscal Studies, the independent think tank for tax studies in e paper published today.

It believes that even under the most pessimistic outlook for the UK economy, public borrowing would only be about 3 per cent of total output by 1990-91.

This compares with the Treasury's projection of a Public Sector Borrowing Requirement of 2¾ per cent of gross domestic product output for the current year and borrowing of 3½ per cent of output in 1981-82.

On more sanguine assumptions about the trends of growth and inflation, the IFS believes that public borrowing by the end of the decade would be well below the 2 per cent of output which the Treasury is projecting for 1985-86.

If the annual rate of growth of the economy were to average 2½ per cent, with unemployment down to 2m by 1990, the public sector could be in surplus of about £4bn at 1983-84 prices.

The Institute's figuring is much less pessimistic than that of the Treasury in a memorandum prepared last year (and summarised in detail in yesterday's FT).

One of the reasons for this change of perspective, the institute says, is that it has taken 1983-84 as its base year, whereas the Treasury took 1982-83 as the base year and worked in 1980-81 constant prices. However, public borrowing in 1982-83 turned out to be substantially less than predicted, and the IFS thinks this makes a considerable difference in future projections.

The institute has charted three possible courses or "scenarios" for the British economy for the rest of the decade, two of them based on the Treasury's own assumptions.

They are:

● The pessimistic view (Treasury Scenario B) in which growth is ¾ per cent until 1985-86 and ½ per cent thereafter with 3m unemployed in 1990. In this case they think the Public Sector Borrowing Requirement in 1990-91 could be around £9½bn (1983-84 prices) or 3 per cent of output. This compares with a Treasury projection of a PSBR of £15bn (1980-81 prices) or 7 per cent.

● The middle case projected only by the IFS. This assumes average annual growth on output of 1½ per cent for the rest of the decade with 3½m unemployed by 1990. The PSBR would then be £4bn (1983-84 prices) or 1.2 per cent of output.

● The more optimistic case in which annual growth was 2½ per cent in real terms with 2m unemployed et the end of the decade. In this case, the IFS believes the public sector would have a surplus of £3.8bn (1983-84 prices) representing 1.1 per cent of output. This is substantially better than the Treasury's prediction that on this scenario the public sector would need to borrow 2 per cent of output or approaching £5bn at 1980-81 prices.

The institute today criticises what it describes as "wild statements" about a public expenditure crisis which have been made on the basis of Treasury figures.

The institute says its conclusions follow from preliminary work undertaken for its "Green Budget" projections for next year with projections for revenue for the rest of the decade.

The institute believes that revenue is likely to be considerably more buoyant than the Treasury implies in its paper, which has still not been officially published.

Striking drivers halt Ford car plant

Financial Times Reporter

CAR PRODUCTION is at a standstill this morning at the Ford factory at Halewood, Merseyside, with 4,000 hourly-paid workers laid off.

Notices posted in the plant late yesterday afternoon said day workers would be laid off at the end of the shift and the night men would be stood down when their shift ended.

The lay-offs are the direct result of an official strike by 200 long-distance transport delivery drivers employed by Silcock and Colling. They deliver half the cars produced every day et Halewood to dealers throughout the country.

As a result of the stoppage Ford has had to stockpile more than 12,500 cars in and around the plant.

The lay-offs, which have been expected for some time as 500 vehicles have been added to the pile every day, has been precipitated by the breakdown of talks between Silcock management and the transport workers' union.

The talks ended in deadlock again on Wednesday night at the Liverpool headquarters of Acas, the government arbitration service. The Silcock shop stewords met in Liverpool yesterday but no fresh joint talks are planned.

A Ford company spokesman said last night that there would be a daily loss of more than 900 cars – about 750 Escorts and about 150 Orions, the new model launched last week.

He said it represented a loss of about £5m a day but the position would be reviewed every day. Everything now binged on the situation at the strike-bound delivery firm.

The areas affected are in the body, trim and paint sections. Normal working is continuing in all other parts of the plant.

Lloyd's suspends two underwriters

BY JOHN MOORE, CITY CORRESPONDENT

TWO UNDERWRITERS in the Lloyd's insurance market in London have been suspended for six months while the market's officials continue an investigation into their relationship with a company in Bermuda, Fidentia Marine Insurance.

The surprise move, which Lloyd's stressed did not represent disciplinary action, has been taken just over six months since Lloyd's last considered whether to suspend the two men, Mr Raymond Brooks and Mr Terence Dooley.

In March, Lloyd's decided that no suspension was necessary while the inquiry was in progress. The two men had given undertakings to Lloyd's authorities which satisfied them that no action was necessary.

But Lloyd's said this week that the new decision had been taken "in the light of additional information which was available" to the officials in Lloyd's who are investigating the Fidentia affair.

In the course of the investigation officials have been studying:

● How Mr Brooks and Mr Dooley had established Fidentia Marine Insurance in 1971 through the Lloyd's underwriting agency company which they run.

● How Fidentia was sold in 1976 for £895,520 with assets of £7.75m.

● How Fideotia was sold again in 1976 to a holding company, Coral Holdings, the shares of which were beld by two trustees of a discretionary trust. Mr Brooks and Mr Dooley are among the trust's discretionary objects.

● How Mr Brooks, Mr Dooley and Mrs Margaret Brooks received over $130,000 from the trusts shareholding in Coral Holdings.

● How money was transferred out of Lloyd's insurance syndicates' funds, under the management of Mr Brooks and Mr Dooley, in the form of reinsurance premiums to Fidentia in trading which was taking place until 1982.

The inquiry is understood to bave widened its scope and a range of other Lloyd's firms are now being studied in connection with the market's relationship with Fidentia.

Isle of Man to ease curbs on bankers

FINANCIAL TIMES REPORTER

SEVERE RESTRICTIONS on the issue of banking and desposit-taking licences imposed by the Isle of Man Government in the wake of recent collapses of establishments licensed there will soon be eased.

Dr Edgar Man finance board chairman, said the supervisors appointed by the board were now more confident that the situation had stabilised.

He said: "No firm decision has yet been taken on the lifting of the restrictions but we do not want to frighten off people whom we would welcome setting up on the island.

"We shall, however, look very carefully at all future applications, and licences will only be issued to private banks when they can produce firm evidence of proper hacking."

Dr Mann said new legislation giving powers to the supervisory commission which would be soon in operation was in draft form and consultations were being conducted with the banking and insurance sections of the finance sector to ensure it would not be too restricitve.

Discussions were also being held to find the four people to sit on the commission, which would work as a regulatory body under the finance board's control.

Cargo company set up

THE DENHOLM GROUP has formed an operating company in the Isle of Man and registered six of its ships in Douglas. The company's spokesman has emphasised that these ships, although they are small bulk carriers, will not be operating into Manx ports.

The Isle of Man Government is about to start its own shipping register. When this idea was mooted, Wing Commander Roy MacDonald, chairman of the Isle of Man Harbour Board, said one condition of registration would be the formation of an operating company in the Isle of Man, which the Denholm group has done.

The company's spokesman said yesterday that while the number of ships operated from the new office could increase it was too early to speak of expansion.

● The Manx Government is setting up a commission to examine how to deal with gas and oil exploration within the island's expanded territorial waters limit of 12 miles due to come into force soon.

The Government is proposing that the commission should report within e year on procedure, licensing, and taxation matters.

Partners in science park group

THE FIRST science park in Manchester is to be managed by a company set up yesterday by a partnership including four private sector companies, the city council and Manchester University.

Ciba-Geigy, Ferranti and the industrial materials supplier Fothergill and Harvey, together with Granada, are each putting in 7.5 per cent (£15,000) of the equity stake of the science park company, which is capitalised at £200,000.

The intention is to generate close links between tenants in the park, the technological expertise of the city's higher educational institutions and the four companies managerial and marketing skills.

The science park's management will also attempt to obtain venture capital to assist tenants.

There are about 20 science parks in the UK, though many have developed partly into light engineering trading estates.

● A MERGER creating Britain's second largest corrugated packaging operation with sales of £100m has been cleared by the Office of Fair Trading and is expected to take place in about e month. The group will be formed the UK corrugated plants of three major international forest product companies – MacMillan Bloedel of Canada, Jefferson Smurfit, based in Dublin, and Svenska Cellulosa of Sweden.

● THE MANAGEMENT of the printing machine and equipment manufacturer, Linotype and Machinery, at Altrincham, near Manchester, has completed the purchase of the company from its parent, Allied Corporation, of the U.S. L and M, as it will now be known, bas been bought, with the assistance of County Bank. The figure is undisclosed hut is lower than the company's £1m capitalisation.

● SIR FRANK COOPER, who retired last year as chief permanent secretary at the Defence Ministry, has joined the board of Westland, the helicopter manufacturer, with Cabinet Office approval. Westland, one of the Defence Ministry's biggest suppliers, has a tradition of employing people who have left the armed forces.

● BRITISH CALEDONIAN will decide next week on a £100m order for the aircraft it needs to replace up to six of its fleet of BAC 1-11 airliners during the next two years. Boeing, McDonnell Douglas and Airbus Industrie are competing to supply the aircraft.

THE ARTS

Opera and Ballet

LONDON

Royal Opera, Covent Garden: only one opera on show at Covent Garden this week – Massenet's Werther, with Giacomo Aragall and Yvonne Minton, conducted by Jacques Delacote.

English National Opera, Coliseum: Further performances of the controversial ENO production of Monteverdi's Orfeo by David Freeman, and of the new Rienzi, with Kenneth Woollam, Felicity Palmer and Kathryn Harries.

Sadler's Wells Theatre: the English Bach Festival ends its short season devoted to celebrating the Rameau tercentenary, with Platée and Naïs. Thereafter, further operas from this year's Buxton – a rare chance to see Gounod's delightful La Colombe, and the new children's opera by Herbert Chappell, James and the Giant Peach.

Royal Opera, Covent Garden: The Royal Ballet gives two performances of Swan Lake this week on Friday and Monday, and a triple bill on Wednesday.

PARIS

Nederlands Dans Theater: Choreography Jiri Kylian/William Forsythe, music Leds Janacek, Carlos Chávez, Igor Stravinsky; alternately. TMP-Châtelet (261 1983).

Théâtre National de l'Opéra de Paris: "Coppelia" conducted by John Lanchbery, original choreography for the 1st and 2nd act by Arthur Saint-Léon, adaptation and choreography for the 3rd act by Pierre Lacotte. Théâtre des Champs Élysées (723 4777).

The Joyce Trisler Danscompany in the framework of the Paris 21st International Dance Festival: Vivaldi, Stravinsky, Ives, Hindemith, choreography by Joyce Trisler, Milton Myers, Penny Howell. Théâtre des Champs Élysées (723 4777).

Dana Reitz: Field Papers. Centre Georges Pompidou (278 7995).

Rossini's "Moses" in a new production by Luca Ronconi conducted by Georges Pretre with Samuel Ramey and Shirley Verrett alternates with Puccini's Madame Butterfly conducted by Alain Lombard in a Teatro Communale de Florence production with Raina Kabaivanska as Madame Butterfly in the traditional version. Paris Opera (266 5022).

NEW YORK

Metropolitan Opera (Opera House): the third week of the centenary season features the first performance this season of Peter Grimes, accompanying performances this week of Les Troyens, La Fille du Regiment and La Forza del Destino. Lincoln Center (580 9830).

New York City Opera (New York State Theatre): Turandot, Les Pecheurs de Perles, Mice and Men, and Alcina. Lincoln Center (870 5570).

Marta Renzi & Dancers (Dance Theater Workshop): premiere of What Practice Makes, set to Beethoven string quartets and choreographed by Miss Renzi, highlights a three-week season. 19th St & 7th Av (691 6500).

WEST GERMANY

Berlin Deutsche Oper: premiering this month is Bernd Alois Zimmermann's Die Soldaten, presented for the first time in Berlin. It is produced by Hans Neuenfels and has Catherine Gayer and Rolf Kühne in the main parts. The Marriage of Figaro has Pilar Lorengar in the leading role. Karan Armstrong does justice to the title role in Salome as well as in Korngold's rarely played "Die Tote Stadt". Orpheus and Euridice, sung in Italian, rounds off the week.

Hamburg Staatsoper: acclaim for Alexander Zemlinsky's two operas "Eine Florentinische Tragödie, Der Geburtstag der Infantin", which reappeared on the German stage after a long absence. Premiering this week is a new production of Turandot, directed by Gian Carlo del Monaco, with Eva Marton in the title role. Arabella is of respectable standard with Judith Beckmann and Bernd Weikl in the leading roles. Also in performance is Zemlinksky's "Der Kreidekreis".

Cologne Opera: at the occasion of this year's Wagner anniversary, Die Meistersinger von Nürnberg is presented this week featuring Manfred Schenk as Sachs.

Frankfurt Opera: Jenufa, reproduced this season, has Daniza Masilovic in the title role. Die Entführung Aus Dem Serail is conducted by Bernhard Kontarsky. Manon-Lescaut is an ultra-modern production by Hansgünther Heyme. Cav and Pag brings together Seppo Ruohonen and Galina Savova in the leading roles.

Exhibitions

LONDON

The National Gallery, Manet at Work: this year falls the centenary of Manet's death, which now, in the knowledge of the great old age achieved by his Impressionist contemporaries, whom he influenced so positively, seems so sadly premature. The great retrospective in Paris this summer clarified the nature and significance of his achievement. Here the National Gallery does not give us anything so comprehensive, but takes eight major works across the range of his career, and by simple scholarly exposition, shows us how he set about his business.

The Tate Gallery: New Art – an extensive and extraordinary survey, quite positively open-ended and non-definite, across current international activity in painting and sculpture. It is in the main a loan exhibition with significant augmentation from the Tate's own collections, which, if it seeks to do anything, places what has come to be thought of as the New Spirit in painting, that is to say the expansive and often violent figurative expressionism of such artists as Clemente, Chia, Salle, Kiefer, Immendorff, Penke, Fetting, Schnabel, into the broader context of the Art of two decades past. Ends Oct 23.

The Barbican: Matthew Smith – an illuminating retrospective, long overdue, of the life's work of one of the most truly French of British painters of this century. And yet he remained a most English expressionist, the sharp, bright Fauve colour of his early years modifying in range and tone to darker, quieter effect. Ends late Oct.

The Royal Academy: Art of the Avant Garde in Russia 1910-30: a selection amounting to some 300 works from the astonishing collection formed since the War by George Costakis, sometime official in the Canadian Embassy to Moscow. The Russian artists in the years before and after the Revolution were as stimulated by the ideas and events of that time as their fellow-intellectuals and consequently denounced as decadent when Stalin decided they were too dangerously free and should be suppressed. One wonders how many more works are still under lock and key. Ends Nov 13.

PARIS

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings – among them the Young Beggar – from French public collections. Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24. Louvre, Pavillon de Flore (260 3926).

Musée Marmottan, 2 rue Louis-Boilly: an important collection of paintings and drawings by Claude Monet and his friends, including the famous oil "Impression – Sunrise," which gave the name to the whole movement. Closed Mon.

Musée de Cluny, 6 Place Paul-Painlève: this museum, built originally by the Abbots of Cluny, now houses medieval works of art, including goldsmiths' work, carved altar pieces, ivories, fabrics, and Limoges enamels. Also a set of the Lady and the Unicorn mille-fleurs tapestries – an allegory of the five senses. Closed Tuesday, and every lunchtime.

Cycladic Art from the N. and D. Goulandris Collection – more than 200 remarkable items dating from the third century B.C. are being shown at the Grand Palais before returning – definitely – to Athens. Grand Palais (Oct 8 to Jan 9 1984). Closed Tue, Wed late closing night 10 pm (261 5410).

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Berlin, Akademie der Künste, 10 Hanseatenweg: Suprematism, Russian style, is documented here with roughly 500 original designs. Manifestos, photos and paintings from between 1900 and 1917 by the painter Kasimir Malevith. The poet Alexander Krutshenych and the composer Mikhail Matyushin. Ends October 9. Also at the Akademie der Künste: a show of the work of Julio Gonzáles (1876–1942), the Spanish sculptor, with 250 exhibits, among them pictures never shown before. Ends October 23.

Hamburg, Kunstverein, Glockengiesserwall: 120 drawings, water colours and gouaches from between 1881 and 1955 by Fernand Leger, the French master of Cubism. Ends October 16.

Hanover, Kunstmuseum, Kurt-Schwitters Platz: more than 100 paintings and coloured sheets from a northern German private collection by Horst Antes. Ends October 17.

Bottrop, Josef Albers Museum, 20 Im Stadtgarten: oil paintings, drawings and graphics by artists from the Brücke School of painting – among them Ernst Ludwig Kirchner, Max Pechstein and Erich Heckel. Ends October 16.

Düsseldorf, Tonhalle, 1 Ehrenhof: "New Glass in German" has 260 colourful decorated glasses, vases, bowls and pictures by 50 contemporary artists. Ends November 6.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: the exhibition focuses on the 27 sculptures by Willem de Kooning, the American painter and sculptor, since 1969. Ends October 30.

Frankfurt, Städtische Galerie im Städel, 63 Schaumainkai: the exhibition has the sculpture "The King of the Mountain" as well as 57 drawings by Josef Beuys, the German object artist. Ends October 30.

ITALY

Venice: Palazzo Ducale, 7000 years of China exhibition. Ends Dec 31. Museo Correr: Titian's engravings on show. Palazzo delle Prigioni: exhibition of works by Massimo Campigli.

Florence: Palazzo Pitti: 100 paintings and collages from all over the world by Gino Severini on the centenary of his birth. Orzinuovi (a small town near Brescia) till Oct 16: exhibition of 170 paintings by Antonio Ligabue, 46 of which have never been exhibited previously.

WASHINGTON

National Gallery: Art of Aztec Mexico combines works confiscated during the Spanish conquest of 1521 with the unearthing in 1978 of the Great Temple of Tenochtitlán, capital of the Aztec empire, in central Mexico City. The most comprehensive Aztec art exhibit ever mounted in America reflects the religion that suffused the Aztec culture, with gods performing sacrifices that had to be repeated by man in order to keep the sun moving across the sky and the cosmos working. Ends Jan 8, 1984.

BRUSSELS

Utrillo Centenary Exhibition: Musée St George, Liège. Ends Oct 16.

James Ensor: Koninklijk Museum, Antwerp. Ends Oct 30.

British Potters, David Leach, David Lloyd-Jones and John Maltby. Galerie le Main. Ends Oct 22.

Theatre

LONDON

The Tempest (Barbican): Derek Jacobi takes a short respite from his recent triumph as Cyrano to add last summer's Stratford Prospero to the RSC London programme. A younger magus than is usual, he gives a performance that is technically accomplished and imaginatively adventurous. An entertaining production. (628 8795)

Tales from Hollywood (Lyttelton): New Christopher Hampton play about the European emigrés working in Tinseltown during the war. Intelligent, witty and pertinent play about the artist in exile, with Michael Gambon as the lugubriously resurrected Odon von Horwath and Ian McDiarmid a predatory, very funny Brecht. (928 2252)

The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

A Patriot For Me (Haymarket): Alan Bates leads a wonderful revival of John Osborne's masterful play about sexual and conspirational intrigue in the Austro-Hungarian empire. A rich tapestry, with a famous drag ball scene at the centre. (930 9832).

Great and Small (Vaudeville): Glenda Jackson in top form as an urban lady on the brink. Keith Hack's production is very fine, and London has done full justice to Botho Strauss, one of West Germany's leading young playwrights. Pessimistic material but a highly refreshing, and above all different, sort of evening. (836 9988).

Song and Dance (Palace): Surprise hit at the Palace, newly acquired by the show's composer Andrew Lloyd Webber. Lulu now sings, Graham Fletcher dances. Overblown middle-brow stuff. (437 6834).

Blood Brothers (Lyric): Strong rock melodrama by Willy Russell about Liverpool twins separated at birth. Pop star Barbara Dickson, very like a young Gracie Fields, is superb as their grief-wracked mother. (437 3686).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. (836 8108).

NEW YORK

La Cage aux Folles (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the intimate moments borrowed direct from the film. (757 2626)

Night Mother (Golden): Marsha Norman's harrowing drama of a young woman's last hours before committing suicide in her mother's home makes for the intellectuals' form of sensationalism, with powerful acting by Kathy Bates and Anne Pitoniak, directed by Tom Moore. (239 6200).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472).

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246).

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish re-creation of the London hit. (239 6262).

WASHINGTON

The Golden Age (Eisenhower): A. R. Gurney has built a swift reputation on a career of taking a gentle but not uncritical look at the White Anglo-Saxon Protestants who set the tone of American gentility without always subscribing to its precepts themselves. (254 3670).

Troilus and Cressida (Folger): season opener in the company's own Globe Theatre is by their "resident playwright" exploring infidelity and romance against a Trojan War backdrop. (546 4000).

The Importance of Being Earnest (Arena Stage): with Richard Bauer as Lady Bracknell, Tom Hewitt as Jack Worthing and Marilyn Caskey as Gwendolyn, the Arena Stage gets an exuberant start to a season that will include two contemporary British plays, Simon Gray's Quartermaine's Terms and Caryl Churchill's Cloud 9, as well as Christopher Durang's Beyond Therapy and Chekhov's Three Sisters. Ends Nov 13. 6th & Maine SW (488 3300).

Arts Week

F	S	Su	M	Tu	W	Th
7	8	9	10	11	12	13

Music

LONDON

NDR Symphony Orchestra, Hamburg, conductor Günter Wand: Haydn, Brückner. Royal Festival Hall (Sun) (928 3641).

English Chamber Orchestra, conductor Charles Mackerras, with Gidon Kremer, violin, and Kim Kashkashian, viola: Rossini, Mozart, Beethoven, and a first performance of Robin Holloway's Second Idyll. Royal Festival Hall (Mon) (928 3641).

Brandis Quartet of Berlin with Steven Isserlis, cello: Beethoven, Wolf, Schubert. Elizabeth Hall (Mon) (928 3641).

London Philharmonic Orchestra, conductor James Conlon, Horacio Gutiérrez, piano: Brahms Piano Concerto No 2, Dvorak New York Symphony. Royal Festival Hall (Tue) (928 3641).

London Sinfonietta, conductor David Atherton, Paul Crossley, piano: Messiaën's From the Canyons to the Stars. Elizabeth Hall (Tue) (928 3641).

Gershwin Evening with the London Symphony Orchestra and Brian Stanborough, conductor/piano. Barbican Hall (Tue) (638 8891).

London Mozart Players, conductor Harry Blech with Robert Cohen, cello, and Stephen Bishop-Kovacevich, piano: Mozart, Haydn Cello Concerto and Beethoven Piano concerto No. 3. Royal Festival Hall (Wed) (928 3641).

Michele Campanella piano recital: Scarlatti, Liszt. Elizabeth Hall (Wed) (928 3641).

Royal Philharmonic Orchestra, conductor Charles Groves, Yuzuko Horigome, violin: all Beethoven programme. Barbican Hall (Wed) (638 8891).

Bournemouth Symphony Orchestra, conductor Rudolf Barshai, Cecile Ousset, piano: Mussorgsky, Prokofiev. Barbican Hall (Thur) (638 8891).

London Philharmonic Orchestra, conductor Christoph Eschenbach, Elisabeth Leonskaja, piano: Rossini, Mendelssohn Piano Concerto No 1, Stravinsky. Royal Festival Hall (Thur) (928 3641).

London Chamber Orchestra, conductor Andre Bernard, Christopher Warren-Green, violin: Handel, Mozart, Bach, Vivaldi, Tchaikovsky. Elizabeth Hall (Thur) (928 3641).

PARIS

Boris Christoff (Mon) Théâtre de l'Athénée (742 6727).

Orchestre Colonne conducted by Dennis Russel Davies, Keith Jarratt, piano: Boulez, Barber, Brahms (Mon) Salle Pleyel (563 8873).

Nouvel Orchestre Philharmonique de Radio France conducted by Juan Pablo Izquierdo and Radio France choir: Maurice Kagel "Die Erschöpfung Der Welt" (Tue) Maison de Radio, Grand Auditorium (524 1516).

Ruggero Raimondi, Bass, Orchestre de l'Ile de France conducted by Jacques Mercier: Glinka, Mussorgsky, Borodin (Wed) TMP-Châtelet (261 1983).

Moura Lympany, piano: Schumann, Beethoven, Brahms (Wed) Gaveau (563 2030).

Orchestre de Paris with Ashkenazy, Barenboim, piano, Brana Delecluse, percussion: Mendelssohn, Delecluse, Stravinsky (Tue) Salle Pleyel (563 0796).

Orchestre de Paris conducted by D Barenboim, Ashkenazy, piano: Glinka, Prokofiev, Mussorgsky, Ashkenazy (Wed, Thur) Salle Pleyel (563 0796).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, Itzhak Perlman violin. Mendelssohn, Mahler (Tue); Zubin Mehta conducting, Izhak Perlman violin, Joseph Robinson, oboe. Bach, Saint-Saëns, Varese (Thur). Lincoln Center (874 2424).

Carnegie Hall: Boston Philharmonic, Benjamin Zander conducting, Anne Squire violin. All-Beethoven programme (Mon); Philadelphia Orchestra, Riccardo Muti conducting, Elizabeth Connell soprano, with the Westminster Choir directed by Joseph Flummerfelt. Verdi: Macbeth (Tue); Lausanne Chamber Orchestra, Armin Jordan conducting, Kathleen Battle soprano: Strauss, Wagner, Handel, Haydn (Wed). (247 7459).

Musica Sacra: five concerts in the ten day "Basically Bach" Festival will feature Richard Westenburg conducting the Musica Sacra Orchestra and Chorus, with chamber works by Handel and Telemann, as well as Bach, performed by the group, including Anthony Newman, harpsichord. Avery Fischer Hall and Central Presbyterian (64th & Park). (874 3104).

WASHINGTON

Shura Cherkassky piano recital (Terrace): Bach/Busoni, Schumann, Berg, Liszt. Kennedy Center (254 9895).

CHICAGO

Chicago Symphony (Orchestra Hall): Sir Georg Solti conducting, Kyung-Wha Chung, violin. Bach, Berg, Bartok, Wagner (Thur). (435 8111).

BRUSSELS

BRT Philharmonic Orchestra conducted by Yuri Ahronovich with Robert Groslot, piano, Rudolf Werthen, violin, France Springuel, cello: Beethoven. Beaux Arts (Fri, Sun).

Belgian National Orchestra conducted by Georges Octors with Henryk Szeryng, violin: Schumann, Szymanowski, Brahms. Beaux Arts (Thur).

WEST GERMANY

Berlin Philharmonie: the Berlin Philharmonic Orchestra and the St Hedwig's Cathedral Choir conducted by Riccardo Chailly with Verdi (Mon, Wed).

Cinema/Nigel Andrews

Citizen Allen strikes back

Zelig, directed by Woody Allen

Betrayal, directed by David Jones

Olivia

The Subjective Factor

Gerard Philippe Season

"We couldn't believe our eyes. He ruined the speech. Hitler was extremaly upset": former S.S. Obergruppenfuhrer on Leonard Zelig.

"Ha touched a nerve in peopla in a way they perhaps would prefer not to be touched": Saul Bellow on Leonard Zelig.

"You'ra the tops, you're Leonard Zelig": Cole Portar.

Who is, or was, Leonard Zelig? Tha short answer is that be isn't and wasn't. Ha's the fictional hero of Woody Allen's glorious new comedy *Zelig*. The long answer is that this uncannily believable movie creation is presented as a true-lifa between-wars American celebrity: a Protean "nobody" capable of turning into any somebody of his cboice. Put Zelig next to a Red Indian and he became a Red Indian. Put him next to Herbert Hoover and Hoover's features would gradually steal over Zelig. Chameleon-like be could disappear into a crowd or a landscape; until worldwide celebrity came along and picked him out by the scruff of the ego.

Mia Farrow in "Zelig"

Zelig never existed, but you couldn't guess that from Allen's film. It's a helter-skelter "documentary" in grainy black-and-white, that looks as if it has been culled from 50-year-old archive footage and newsreels. *Citizen Kane* has been invoked as the movie's stylistic predecessor, and indeed *Zelig* takes its brisk, collage-style investigative form from Welles's film. A portentous narrator whirls us through the life of Zelig — played of course by Woody Allen—from childhood days in a tempestuous family living above a bowling alley ("It was the bowling alley that complained of the noise") to meetings with such as Eugene O'Neill and Pagliacci, both of wbom Zelig would instantly turn into (though not without a remaining trace of the bug-eyed Zelig-Allen look) and finally to international fame and intensive psychiatry from "Dr" Mia Farrow.

The film is in two parts, which is several less than you may be in after seeing it. Audiences at the recent Venice Film Festival laughed themselves into sundry rib-fractures and bernias. Part 1 is the po-faced commentary outlined above, wbere your delighted eyes will catch newspictura glimpses of Woody Allen cbeak-by-jowl witb Babe Ruth on tha baseball field or Jack Dempsey at the training gym, and quietly metamorphosing into both. (Tha film's still-frame trick pbotography deserves an Oscar all its own). Part 2 chronicles Mia Farrow's attempts to cure Zelig of his changeability, despite Zelig's insistence in her presence—of course—that be too is a psychiatrist. "I have to go into town to see my patients" he improvises with nervous effervescence; "I have two sets of Siamese twins with schizophrenic problems; I get paid eight times."

But Farrow perseveres, the Zelig phenomenon is discussed and publicised worldwide, and paternity suits are thrown at him by a dozen women claiming to have had children by former Zeligs. Under fire from fame, will our hero find bis own personality or keep chasing after other people's?

Many of us had given np Allen the bumourist for dead in recent years. *Stardust Memories* was a painful amble througb the thickets of Fellini-esque autofantasy, and *A Midsummer Night's Sex Comedy* had no sex and little comedy. *Zelig* is like a meeting-point between the new Allen of "serious themes" and the old uproarious Allen with his twin-engine flair for pinpoint parody and free-flying non-sequiturs.

The film diagnoses the urge to conform as a personality disease—"Safa. To be like the others. To be liked," croons Zelig under hypnosis—and then makes comic capital out of tha curvature of fama: the phenomenon whereby if you retreat far enough from the limeligbt (of Garbo, or Lawrence of Arabia as Ross), you walk backward into an evan brigbter flood than before.

There are glorious scenes that fly by lika fireflies in this 79-minute film. A cassocked Zelig materialising on the Pope's balcony in Rome and getting an indepeodent clout from the Cardinals. Zelig amid a platformful of Nazi officials at a Nuremberg rally, aod signalling wildly to Mia Farrow (out in the crowd) as Hitler carries on to full rhetorical flow trying to ignore the disruption. Zelig in America running the constant gauntlet of photographers' flashlights, as they pursue the celebrity known as "The Chameleon" or "The Lizard Man." (The name Leonard Zelig contains both the word lizard and the second half of chameleon: Zelig means "departed spirit" in Yiddish and "blessed" in German). Funny, serious, brilliaot, imagioative, *Zelig* is already the best film of 1983—unless the year's last three months produce a Zelig-worthy miracle.

*

Harold Pinter's *Betrayal* was clearly electrifyiog on stage, where alas I never saw it. One knows its theatrical calibre from the film version, bowever, wbere Pinter's rich and amplified "banalities" are as hopelessly out of place as Racinian Alexandrines would be in *Coronation Street*. Not that cinema is confined to the doggedly lifelike; but Pinter's dialogue does on staga what faces and gestures can and must do on tha screen, show tha under-floor anxieties that lie beneath the ritual social phrases.

Jeremy Irons, Ben Kingsley and Patricia Hodges are all superb as the eternal triangle firing on retro-rockets, as Pinter tells their story in reverse chronology over ten years from final crisis to first adulterous kiss. Most of all Kingsley as the husband, who has clearly studied at the Donald Pleasence school of poker-faced, goldfish-eyed attack. Without moving his face he scores his lines with glorious comic subtlety—now a harsh bray of derision from the diaphragm, now a purring innuendo, now a snuffed-out aside that seems delivered through the nose.

But he isn't well served on the screen, nor is Irons's elastically anxious lovar or Hodges' haughty beauty and frailty as the woman in the middle. Tha lines go on and on, back and forth, like some interplanetary tennis match; their perfect Sphinx-like structure, their theatric richness and completeness making the visuals almost totally redundant. The film makes you believe in Pinter's genius—and that like all genius it flowers best in the soil it first grew from.

*

Elsewhere this week filmic pleasure is on offer in small atavistic doses. The 32-year-old French film *Olivia*, directed by Jacqueline Audry, features a rural girls school glowing with lace and light (it might hava been lit by Von Sternberg) whose pupila fall in love *en masse* with headmistress Edwige Feuillere. And who would not? On this form Mlle Feuillere deserves every rhapsody ever burled at her by her one-time *preux chevalier* in print, Harold Hobson. She has the looks of a goddess descending from Olympus and a mezzo voice that's like the purling of ambrosial streams. The film, combining innocent shimmers of Sapphic yearning with insida insights into the female soul, isn't bad either.

Helke Sander's several-year-old *The Subjective Factor*, on the other hand, is. Where *Olivia* gives us feminist themes wrapped up in the cinematic pleasure principle, in the German film-maker's agitprop feature you feel your head is being cracked open like an egg; not to be eaten but to be ideologically fertilised. Good-for-you messages are inserted by way of pasty pbotography, paste-and-scissors editing and many a poster of the darlings of tha revolution. (Never mind which revolution: any revolution.) It's all quite unrelieved and unpleasant, like having one's brain raped.

At the National Film Theatre, lastly, there is Garard Philippe, lording it with Adonis features and bedroom eyes in a season of his films; some of which (*L'Idiot, La Ronde, La Beauté du Diable*) are better than others. But all of them flourish Philippe's uniqua sad-suave star quality.

Just a Kick in the Grass/Nuffield, Southampton

Martin Hoyle

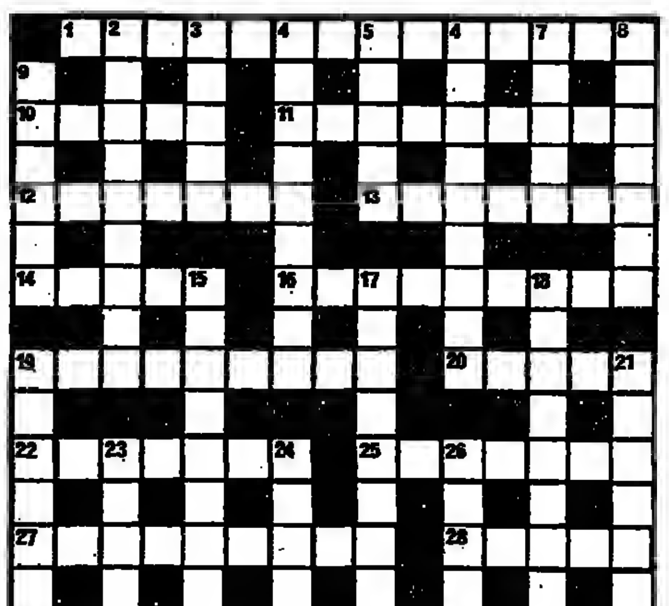
Against a chilly blue backdrop the massive gates are topped with barbed wire and loudspeakers to trumpet threats to the rowdy inmates. Fran Thompson's prison-camp design frames what Desmond Morris, quoted in the programme, describes as "one of the strangest patterns of human behaviour to be seen in modern society." Not a wartime escape, in fact, but the passions and cut-throat double-dealings of what could be your local football club.

Cancelled by the board at Bromley's Churchill Theatre, Richard Ireson's study of local corruption seems no more dangerously specific, despite official fears of libel action, than, say, *Muck and Brass*. Tha clucked-over bad language is no worse than in most films, many plays, and Channel 4 in earnest mood. Familiar ingredients abound: tba self-made chairman, ex-barrow-boy becomes dubiously bonest burgar baron; bis ambitious secretary-mistress and embittered wife; viciously moronic skinhead supporters; and corrupt policemen. Add a devoted simpleton wbo lives only for the club, threa sample players and a plummy-voiced accountant who sells out to property development, and the play seems set for a hard look at the death-throes of the game. "There *is* a place for professional football," the chairman's soured wifa observes; "they just baven't dug it yet."

Having established his symbols, tha author gives them neither background nor development. This villain is insubstantial, especially in John Bardon's chirpy performance; equally lacking roots is his wife's loathing, though Brenda Fricker makes the most of ber cutting edge. The uneasy veering between naturalistic and stylised (directly addressing the audience, tha daft fan leaving his character for a chatty comic turn) is epitomised by the final scene. On a Brazilian beach the fugitive businessman is miraculously joined by tha rest of tha cast in an impromptu game: a cry for football's lost innocence in a fantasy-world.

Despite Ben Onwukwe's toucbing mixture of tbe cocky and tbe crestfallen as an ambitious black player prematurely crippled, Mr Ireson's gifts lia less in social realism tban in wbole-haarted Scarfe-like caricature. In David Gilmore's production the game itself—slow-motion, suddenly freezing—is aptly supported by Jonathan Stratt and Stephen Jameson's horrendous skinheads. Their frenzied intensity ("We love ya—we'd die for ya . . . We don't even watch the match"), reaching a whimpering, near-sexual ecstasy, is disturbing (as with Punch and Judy) in its blend of the grotesque, tha funny and the menacing.

F.T. CROSSWORD PUZZLE No. 5,236



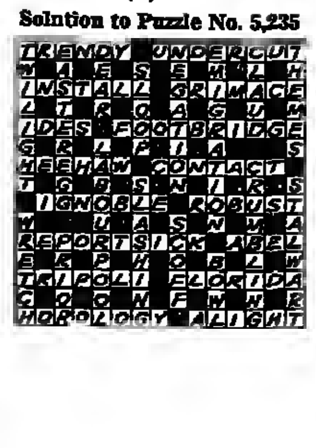
ACROSS

1 Cause crow to flutter round broken threes? That's a bit sharp! (9, 5)
10 Trendy dog to suffer (5)
11 Universal rate round peg book, the last of many (9)
12 Sort of dealer for the cyclist? (7)
13 Casually announce drop (3, 4)
14 Gear for rise? (8, 2)
16 Family writer returns, takes in rubbish (6, 3)
19 He feeds on what's in 16 (9)
20 A body and what can be done with colours! (5)
22 Self-help comes back to food, language (7)
25 Fast runner very soft in off white (7)
27 Halve destructively and have a go at someone, we hear (4, 2, 3)
28 A.1. gem could be a picture (5)
29 Lee with one company, no flinch in trouble. A top man (7-2-5)

DOWN

2 A number of players concerned with the score (9)
3 Song about oral arrangement (5)
4 Old-fashioned stage seen in the field (6, 3)
5 Kick out Pele cross, perhaps (5)
6 Dear me—at the confection (9)
7 Lichens in fungus near tree (5)
8 Stepwise formation with over half football team in age (7)
9 Worn by pompous judge—or the judge himself? (3, 3)
15 Summary covering what's charged, giving accuracy (9)
17 Demolish—as challenger might the gauntlet (5, 4)
18 Undercover label to order China? (4-5)
19 Kind of pencil or pen with exercises in charge (7)
21 Talk of comic? Tiny tot will! (6)
23 Withdraw Latin to include kind of speech (5)
24 Holiday 'ome to everyone's liking? Tops! (5)
26 The setter could be terrier? (5)

Solution to Puzzle No. 5,235



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BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Telephone: 01-248 8000

Friday October 7 1983

Rough ride in Hong Kong

THE BACKGROUND to today's talks between Sir Edward Youde the Governor of Hong Kong, and Mrs Margaret Thatcher is not encouraging. The Hong Kong dollar has fallen by more than 30 per cent in under a year. Financial markets in the territory are nervous. China shows every sign of wishing to put a bed of nails under the British negotiating team with its increasingly clamorous attacks on the British position.

The question has to be asked: can the delicate negotiation over tha future of Hong Kong be brought to a successful conclusion when all around are losing their heads?

It could, in fact, be worse. There has always been the fear that in a full blown liquidity crisis the absence of a central bank in Hong Kong to act as lender of last resort would make for chaos. Yet the authorities appear to have acted effectively in the face of prohlems at both the Hang Lung Bank and Sun Hung Kai. In the latter case it is encouraging that two foreign financial groups, Merrill Lynch and Paribas, have been prepared to stand behind their investment in Hong Kong. In short, a policy of financial containment has worked so far.

Neglect

In the currency markets the authorities confront a more intractable prohlem. Superficially their options might appear to rest between attempts to stabilise the currency, or letting the Hong Kong dollar find its own level and taking the consequences. In practice the natural instruments for currency stabilisation—the interest rate—is not notahly effective in dealing with politically inspired capital flight. Raising it further would add to the strain in financial and property workers which are highly geared.

Nor do suggestions that tha Hong Kong dollar should be pegged to some external currency make much sense. This would he to offer an unparalleled opportunity to speculate against the local currency.

A policy of neglect, on the other hand, would almost certainly have malign economic and social consequences. True, this might demonstrate to Peking that its mixture of sabre-rattling and reassurance is having e disastrous effect on confidence. But quite apart from the undesirable monetary effects, the short-term rise in the cost of living as import prices rose further would intensify pressure on the Hong Kong Chinese.

The situation is all the more distressing because of the human dimension of the problem. For most Hong Kong residents there is nowhere to run. The 1982 Nationality Act has dispossessed them of the right to settle in Britain. Life under communism, which many risked life and limb to flee in the first placo, is unthinkable.

Reforms

No doubt reforms aimed at boosting Hong Kong'e reserves, which are now under active consideration, will provida a modest palliative on the financial front. But the real prohlem is political and calls for e political solution. The difficulty for the negotietors is that the political time horizon is at odds with the financial one. The bargaining will be as protracted as Peking wishes to make it; yet tha Hong Kong markets are among the most volatile and short-term in the world.

In dealing with Peking firmness is essential. But there are limits to how far Britain can support its ohligation to the territory if its negotiating position does not command support with the residents of Hong Kong. It is inevitable in present circumstances that they, who have the higgest stake in the outcome, should over-react; and the message that the markets are sending to Mrs Thatcher needs interpreting with care.

That neither side has felt able to conduct negotiations in a lower key is unfortunate. Peking's interests are scarcely well served by the present belligerent noises. For its part, Britain unquestionably has an obligation in relation to the territory, and Mrs Thatcher herself has a marked admiration for the economy that the Hong Kong Chinese have so successfully built. But it is hard to see how a high moral tone on either will help produce the right outcome.

Common market in insurance

ATTEMPTS TO dismantle the national restrictions which prevent the creation of a common EEC market in insurance have been frustrated over the years. More than two decades after the formation of the Community, with its objective of removing internal barriers to trade, discussions to establish freedom of services in insurance have made little headway.

Members of the European Parliament and the Commission of the European Community are now becoming impatient. In the last few days a letter has gone from the Commission to Germany seeking an explanation why that country has failed to implement a co-insuranco directive. The directive dates from 1978 and is intended to make it easier for insurance companies in the Community to insure large risks together.

It marks the beginning of a series of moves which the Commission is allowed to make under the Treaty of Rome, and could leed to Germany being brought to the European Court of Justice to defend its stance. Already the Commission bas taken similar steps against France and Denmark, which is at a more advanced stage, and other action is being planned against Ireland.

The Commission's resolve has been strengthened by the case of Herr Franz Schleichar, a small German insurance broker, which highlighted the extent of protectionism in the German insuranca market.

Provision

Herr Schleicher insured his clients, largely in the fur trade, with London insurance companies for a number of years. He was able to obtain lower premium rates than those offered by German companies and to insure a number of risks as a single package; German practice requires them to ha insured separately.

The German authorities intervened and took him to court. While there is no provision preventing a German citizen from entering into direct communication with a foreign insurer hy correspondence and placing business with him, it is a criminal offenco for anybody in Germany to ect as sn intermediary in the placing of business with an unauthorised insurer. Herr Schleicher was prevented from referring the matter to the European Court even after appeal. He complained to the Commission and his case is likely to form part of the Commission's action against Germany.

The Germans, and other countries running tightly controlled insurance markets, argue that their systems are necessary to safeguard the consumer of insurance. After big collapses in their insurance community in the 1920s the Germans fear that less regulation could undermine their strict laws of consumer protection.

Yet the temporising of the Germans and others during discussions over freedom of services for insurance has suggested that tha main anxiety concerns commercial impact of competition on protected local markets.

Capacity

Those seeking freedom of services, such as the British and the Netherlands, want a liberalised market in which insurance companies hased in one country can compete for business risks in other European countries. European indnstry, as a buyer of insurance, would be able to cover its risks with those insurance companies which offer the cover it wants on the most competitive terms.

World insurance markets are suffering from excess supply with too many insurers chasing business which has not grown at the same rate as the available underwriting capacity. In a liberalised European market important domestic revenues from insurance earnings might be lost by local companies. Sectional interests hava ensured that discussions on liberalisation have made very slow progress.

The main proposals for establishing freedom of insurance services have yet to be agreed although a draft directive bas been in circulation since 1975. The co-insurance directive allowing insurers to share risks has not been properly implemented—hence the current action by the Commission.

It is unfortunate that a political solution cannot be found on this issue. But, by pursuing the objectives of the Community through the legal processes available, the Commission may break the deadlock which bas lasted for years.

Insurance is an international business servicing an international clientele. The Community's insurers earn more than $64bn (£42.9bn) in revenues. Bnt their position in world insurance markets will decline if they are not allowed to compete across horders and provide flexihle services. This is why the Community must find a way to establish a real common market in insuranco.

POLITICS TODAY: BRITAIN'S LABOUR PARTY

Positively civilised Brighton

By Malcolm Rutherford

The moment of victory: new party leader Neil Kinnock (right) and deputy Roy Hattersley

THE nicest Labour Party Conference for years ends in Brighton this morning. That may seem a patronising way to start. But anyone who remembers the bitterness, the booing, the chanting, the near-fisticuffs, the spitting and tha hissing of some of its predecessors will understand. By contrast, Brighton 1983 was positively civilised.

Above all, the atmosphere was different. Labour in general has realised the exent of its adversity and is seeking—left and right—to come together to re-establish party unity. It is no longer axiomatic to blame tha electorate for refusing to vote Labour. It is recognised that some of the fault might lie within the party itself. A spirit almost of compromise is in the air and, for a time at least, the new leadership will be given the benefit of the doubt.

Of course, there are some more tangible gains, as well as some remaining disadvantages and uncertainties. But first the plus points.

Mr Neil Kinnock was elected leader at the age of 41 by an overwhelming majority. It may not matter much now, but it will as the next general election approaches: Mrs Thatcher, if she is still there, will then be hy far the oldest of the party leaders. "Time for a new start" could become a powerful slogan for both Labour and the Allisnce.

Mr Roy Hattersley was elected Deputy Leader almost as convincingly. Here there is some evidence of a late swing, as the party seized on what looked like the most attractive combination.

Certainly Mr Hattersley does not believe that his victory over the left wing challenge from Mr Michael Meacher was never in doubt. He moved ahead only in the last two weeks and achieved a majority even among the constituency parties, the most left wing section of the electoral college. The new Labour MPs were the only group voting overwhelmingly against him.

The electoral college itself, which had taken so long to establish and amid such bitterness, proved a success. There can be no doubt that it expressed the will of the great hulk of the party. That, in turn, should add to the authority of the new leadership, especially of Mr Kinnock.

The elections to the National Executive Committee produced no new problem either. It is unlikely to be dominated by the far left, and again there should be a disposition to giva Mr Kinnock the benefit of the doubt, or at least an extended honeymoon.

The long-running saga of infiltration by the Militant Tendency has been relegated to a minor issue. Conference voted in closed session to expel the five members of the Militant Board by a majority of five to one, and that should be that. For it was never the activities of the Militants that were tha main problem. It was the lack of an active Labour Party to stand up to them. If the party really has revived and has, in Mr Hattersley's words, a "passion for unity," the Militants cease to be of mnch relevance.

There is also a good deal of evidence of vitality throughout the party as it examines the lessons of its defeat. Youth was present in Brighton in a way that it is not at a conference of the SDP.

The Fabian Society is going through a particularly impressive phase, being addressed at successive fringe meetings by Professor Eric Hobsbawm, the Marxist historian, and Dr Bernard Crick of Birkbeck College. Dr Crick even argued that it might be better for Labour to accept the Tebbit Bill, including the possible ending of the political levy, because it would force the party to go out and fight for members as it had done in the early days. Rarely can one expect to attend political meetings at such a high intellectual level.

Not least, sections of the party seem to have been taking lessons from the Liberals and adopting community politics. The most notable new arrival on the national scene is Mr David Blunkett, the hlind leader of the Sheffield City Council and elected this week to the NEC. Mr Blunkett, with his dog, has many of the attributes of a stand-up comic, and also some eccentric ideas like the twinning of British local authorities to those in Nicaragua and El Salvador to extend democracy. Bnt he is also that unusual phenomenon: a breath of fresh air in the Labour Party.

To come now to the minus side. Some of the disadvantages are obvious. The party is in a perilous financial position, and its organisation has been falling apart. It is now down to little more than 60 full time agents. The example of Ipswich, which has a Labour MP against the regional trend, shows what can be done when the local organisation is efficient, but that is exceptional.

> Some of the apparent unity at this week's conference may also be skin deep

Again, it is not like 1959 when Labour had lost three general elections in a row, then recovered to win in 1964. This time a third grouping is already in place in tha shape of the Alliance, and the Labour vote has generally declined over the years even when the party has won power.

The obvious response to the passion for unity is to ask: unity for what? The conventional answer (say from Mr Kinnock) is that unity will bring its own rewards. Labour must again become a campaigning party and leave detailed policies till later.

Yet Mr Kinnock has not exactly distancod himself from the 1983 manifesto, indeed has several times gone out of his way to re-endorse it. Some say that that is in the manner of General de Gaulle, promising to keep Algeria French and then granting independence. But that is surely a flattering comparison at this stage.

The policy dilemma came to a head this week only on defence, and it is true that it was less of a split down the middle than a commanding vote in favour of unilateralism with an articulate minority in opposition.

It is also true that by the approach of the next election today's defence issues may well have been overtaken by events and what was approved in Brighton in 1983 may be merely for the history books. But it still looks as if the Left has tied itself to a unilateralist stance and Mr Kinnock will be jndged on how far he adheres to it.

Mr Denis Healey argues that come the next round of trade union conferences it should begin to be possible to persuade some of the unions to change their position. Yet that in turn raises a different question. How far can the party go on relying on the unions' block vote?

When all the political parties, including Labour, have been seeking to hecome internally more democratic, the block vote increasingly sticks out as an embarrassing anomaly. Some of its sharpest critics are now on the far left, which fears that it can be used against it, as indeed it was against the Militant Tendency. Until the system is reformed, it will be difficult to argue convincingly that Labour has much changed.

Some of the apparent unity this week may also be skin deep. Mr Kinnock, being young, has the endearing habit of seeming to think that the party's internal divisions were confined to the past two or three years.

Yet since the late 1940s Labour has been more often divided than united.

Today there are still some members who are appalled by the party's policies: Mr Peter Shore, for example, on defence, and Mr Healey, though the latter has tried harder to compromise. And in much of the parliamentary party the talk about such new stars as Mr Blunkett and his London counterpart, Mr Ken Livingstone, is not altogether favourable. Nor was there undiluted pleasure, even among the left, at the appearance of Mr Gerry Adams, the MP for Belfast West, who has not taken his seat and who addressed an enthusiastic fringe meeting on the need to get Britain out of Ireland.

There must still be s reservation about Mr Kinnock himself. Mr Kinnock did well in his conference speech yesterday and even better in his speech responding to his election as leader on Sunday. But there were times in between when he seemed much less sure of his touch.

He did not shine when he shared a platform with Mr Hattersley at a meeting organised by the *New Socialist* on Tuesday evening and at the traditional *Tribune* rally on Wednesday ha was distinctly disappointing, even to those best disposed to him.

Mr Kinnock had a searing experience when he appeared at the equivalent rally two years ago, having just voted for Mr John Silkin rather than Mr Tony Benn as deputy leader. He was excoriated for his alleged betrayal of the left. He was not even *Tribune's* favourite candidate for the leadership this time.

Yet he had won and was back at the rally. He could have scored a triumph by saying simply thank you very much, cracking a few jokes and then goodnight. Instead he went on about definitions of democratic socialism, most of them distinguished by lack of definition. The audience was not so much bored as embarrassed by the thought of being seen to be bored. The idea visibly crossed the mind that perhaps in the moment of crisis the party had elected a windbag without substance.

His speech to tha full conference yesterday was much more carefully prepared. But even there substance was lacking. His main theme remains the absolute necessity of victory through unity and by campaigning throughout the country.

In content his remarks were strikingly similar to those of Mr David Steel's at the Liberal Assembly in Harrogate two weeks ago. Where Mr Steel spoke of the regeneration of Britain, Mr Kinnock spoke of its rejnvenation. But the underlying theme was the same: recovery can be bought hy reflation. Questions of the limits to pnhlic expenditure and how to control inflation were overlooked in both cases, and indeed there is something in the view that parts of the Liberal Party now have a great deal in common with Labour.

Mr Kinnock is an ambitious man who is lucky enough as leader to have the party at his feet rather than his throat. But he may be wise now to take a little rest as he considers what to do next. Rhetoric and charm may have been the making of his career so far. Too much thoughtless public exposure could also be the death of it.

Meanwhile the Labour, Liberal and SDP conferences should have done enough to persuade the Tories not to go to Blackpool, where the conference season ends next week, with too much complacency. There is new life around, even if the Opposition remains divided.

Men & Matters

Brighton's loss

There were a number of empty press seats at the Labour party conferenco in Brighton yesterday.

The disappearanco of a large section of the Parliamentary lobby had nothing to do, however, with the vociferous criticism of the capitalist media in the conference hall on the previous day.

No, the early trains to London were full of journalists racing back to Westminster following the overnight statement from Cecil Parkinson, the trade and industry secretary, and senior member of Mrs Thatcher's Cabinet, that be had had a relationship with his one-time secretary Miss Sara Keays who is expecting his child.

The corridors of Westminster—where a mere half-dozen journalists had been holding the fort—were suddenly alive with reporters. Apparently when it comes to news value, Labour party policy cannot compete with the domestic life of a senior politician who used to be chairman of the Conservative party.

Meanwhile, the prime minister, on e routine visit to a supermarket in South London, found herself pursued by a contingent of Fleet Street's heavyweight men.

An aide who was well aware they were on the trail of the Parkinson story told them she would not comment on "current events." "No" one of the pack quipped "Wa want to ask about current affairs."

Blyth spirit

The world of macho long-distance sailing would not seem the same without Chay Blyth. Now nudging 43, he rowed tha North Atlantic in an open boat, and later sailed alone and non-stop "backwards" around the world — to non-sailors that means be went against the prevailing winds in a westerly direction.

So it was like old times yesterday when London River tugs hooted and Chay left the Tower of London Pier on his latest voyage. With crewman Eric Blun he is to sail his trimaran Beefeater from New York to San Francisco via Cape Horn in a valiant attempt to beat the time of the world clipper ship record set up in 1851 by tha New England ship Flying Cloud —89 days 21 hours.

Blyth is confident he can beat the clipper ship record in his light-weight three-hulled boat. Unlike the clipper ship he will not be carrying a cargo, unless it is a few cases of the Beefeater gin made by his sponsors James Burrough.

Heads up

Old habits die hard at Lloyd's in the insurance underwriting room where some 4,000 people toil.

For instance, it is customary for a broker approaching an underwriter with the wish to place some business to address the underwriter in his box—a polished wood version of a market stall. But protocol has it that "the broker shall always stand and never sit: while the underwriter shall always sit but never stand."

This practice has enabled the underwriter to consult his notehooks and ledgers for many a long year without fear of heing overlooked.

In two years' time, however, the Lloyd'e market moves into its glass-domed new building which will be wired for every electronic innovation that technology is (or is likely to be) capable of providing.

The underwriters realise that the day of the computer terminal and VDU screen is rapidly arriving for them, to replace the ledgers. But they also like the personal contact of meeting customers at their boxes. How can this be done, they are wondering, without brokers, or other underwriters, taking unanthorised peeps at their computer screens — and perhaps gaining some advantage?

Technology is coming to the rescue. A system is being worked out which would be similar to the "head-up" display provided in modern fighter aircraft so that the pilot can see his instruments information "reflected" in his windscreen.

If the experiments succeed, the underwriters will be able to read their new screens, hut all the information will be quite invisible to anyone more than a couple of feet eway.

"Unfortunately I have to take instructions from my client, Mercury Communications over the telephone and . . ."

Fame at last

The three surviving Beatles could soon become freemen of Liverpool—if they want to, that is. The issue comes up soon for City Council approval and has its best chance ever of being accepted.

In tha past, some influential City fathers have turned their backs on the idea, arguing that tha four had "disreputable life-styles," and had turned their backs on their home town. But this tima round, they have decided not to block it.

Will George, Paul and Ringo accept? Ron Jones, head of Merseyside tourism, says they may well refuse after their previous treatment. He has argued for years that opportunities have been wasted for the Beatles to do for Liverpool what Elvis did for Memphis, Tennessee.

But Jones' efforts have borne fruit. Royal Insurance is building a £6m arts and shopping centre on the original site of the Cavern Club, which will also house the world HQ of the Beatles fan club, a sculpture of the group, and the yellow submarine which graced the foyer of the cinema where the film of the song had its premier in 1968.

One short

The EEC, always anxious to chart the economic progress of its member states, has just published five pages of graphs and tables under the title of The Index of Industrial Production in July 1983.

But there is a cotch. In the small print of the introduction it is revealed that "The index for the Community was not calculated because no data were available for France."

Be warned

It doesn't pay to joke about real life.

The other day I wrote lightheartedly about an American company offering an executive briefcase with a "shocker handle" able to deliver 4,000 volts to anyone unwise to steal it.

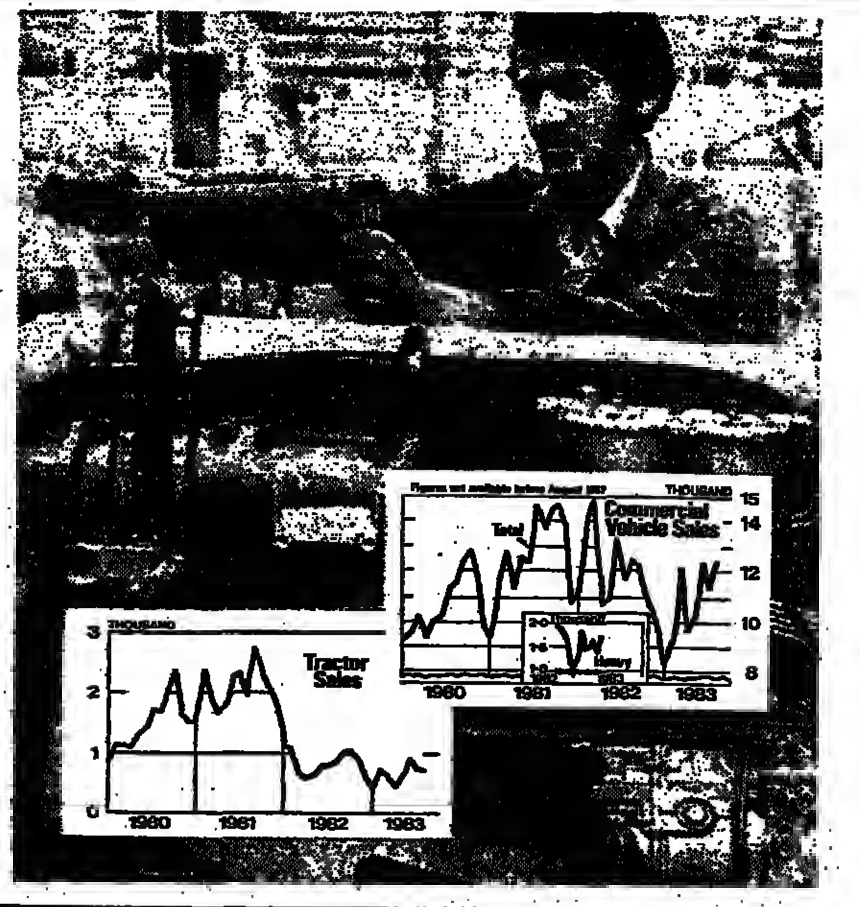
Now a Swiss company has written earnestly requesting the name of the maker.

Observer

South African Industry

The high cost of a siege mentality

J.D.F. Jones reports from Johannesburg on the controversy over a new diesel engines plant



DRIVE NORTH on the coast road out of Cape Town, beyond the twin towers of the Koeberg power station (where they are still repairing the damage of last December's sabotage bombs) and you come to another of the bastions of "Fortress South Africa." The Atlantic Diesel Engines plant (ADE) is one of the newest and most controversial achievements of the Pretoria Government's obsession with self-sufficiency. It has been having a very rough time.

ADE was announced in 1978, and opened in April 1982, as the near-monopolist manufacturer of South Africa's large diesel engines. The original production target for 1983 was 46,000 engines. But, between July 1982 and June 1983 sales totalled a mere 16,764.

Almost everything has gone wrong: recession, drought, industry, hostility, retrenchments, overstocking, and the charge that ADE has contributed to the Republic's 13 per cent inflation. The tribulations of ADE help explain why the South African Government may be preparing to rethink its policy of import replacement and industrial protection.

The 1970s saw a steady development of the idea that South Africa's way of life might be disrupted one day by international sanctions. Although economic blockade was not an imminent danger, the Government took the threat seriously: hence, for example, the urgent and costly expansion of the Sasol oil-from-coal project.

In 1977, the United Nations imposed a mandatory arms embargo, which included trucks for defence force and police use, on the Republic. The Government, which had already poured funds into its Armscor weapons establishments, decided that South Africa's security required that engines for heavy trucks and weaponry must be locally manufactured, safe from international interference.

The ADE project was conceived, to be funded mainly by the state Industrial Development Corporation, and in due course—in order to attempt viability for the new strategic industry—tariff protection of 30 per cent was imposed on imported trucks and 40 per cent on tractors.

The security aspect is not much discussed in South Africa today, presumably because of the legal constraints on publishing defence information, and is not, of course, the only explanation for the decision to go for diesel self-sufficiency. Indeed, it is possible that the military aspect was never the main justification for the plant.

There is a long tradition of import substitution as an instrument of industrial development—for instance, the "local content" programme for South Africa's motor industry.

The point is that a Cabinet decision to set up, and protect to the hilt, a monopolist state-financed diesel engine capacity opened the way for a host of unpredicted problems. The irony is that today South Africa has a spanking new (and very expensive) diesel engine operation, but true self-sufficiency is almost as far away as ever.

ADE chose as its partners Perkins Engines (of the UK) and Daimler-Benz (of West Germany) and announced that it would rationalise diesel engine production around a dozen core engines to service the 18 truck and 11 tractor local manufacturers. The Perkins design was essentially for tractors, and Daimler-Benz for trucks. Total investment connected with the project is estimated to exceed R400m (£241m).

Not surprisingly, the local motor industry protested vigorously, though one suspects without much hope. The dangerous result was that, since the motor lobby argued that the ADE engines which they would be required to use would be much more expensive—and the press reported that tractors and trucks would be 20 to 40 per cent more expensive "thanks to ADE"—everyone rushed to buy new vehicles with imported engines before the tariffs came into force. 1981 was a boom year for tractor and truck sales. Thanks to a combination of overstocking, recession and the worst drought for 50 years, it has been disaster ever since.

But there was another theme behind the motor industry protests, over and beyond the argument of high costs, which deserves attention because it touches on the deeper anxieties of South African industrialists about the "fortress South Africa" mentality. As early as his 1981 annual report Mr Chris Griffith, chairman of Sigma (then owned jointly by Chrysler and Anglo American) had this to say:

"While we agree that it is in the national interest that a facility such as ADE be developed in South Africa, we consider it debatable that legislation should force local manufacturers to use ADE products. To us it seems logical that the widest possible sourcing of engines and other components is desirable in industry. It would seem to us to be in South Africa's best interests to maintain the closest possible contact with the world's great engine manufacturing companies, none of whom would be eager to respond to official or unofficial calls for sanctions if they continued to enjoy a reasonable share of such an important market."

As the ADE buildings have risen, in the sandy wastes of the Atlantis decentralisation area (intended to create jobs for the Cape Coloured community) the debate has swung between these two points: the sheer cost of ADE and its engines; and the fundamental correctness of the siege mentality.

Mr Helmut Beckurts, the widely respected managing director of ADE, is engagingly candid about what has gone wrong. As he sees it, every possible negative factor arrived, more or less at the same time. There was "panic purchasing" before the import barriers came down. There was industry wide scepticism that ADE would be ready to deliver on schedule, so "tongue-in-cheek" orders were placed. The tractor manufacturers (according to Mr Beckurts) were reluctant to admit the inevitable impact of the drought, so put in full-scale orders. Then "by early 1982 cancellations came streaming in—volumes were butchered—but by that time we were sitting on all the CKD imports and the local components—we had to be ready, and that landed us in a terrible mess." To complete what was beginning to look like an act of God, the world recession arrived in South Africa and the truck business followed the tractor route.

ADE is still picking itself off the ground. It had to sack 230 of its newly trained 2,300 employees. It had enormous handling problems, with mountainous stocks of engines and kits overflowing the site. Mr Beckurts' critics had a field day, and even now be cannot cut production as much as might be justified because he has to "prove out" machining lines in readiness for a growth in demand (and also, one suspects, he has to keep the contracted local components manufacturers in business).

The only consolation is that the motor trade has become less vociferous in its abuse of ADE for being high-cost. It is now argued that ADE has put about 5 per cent on local price tags, rather than 25-30 per cent. ADE has hit back by arguing that the engine accounts for only one quarter of the price of a truck. It has also pointed out that a tractor is only a minor element in putting up farm costs (and thus national inflation) in comparison with fertiliser and fuel.

Today, according to Mr Beckurts, there is just a glimmer of light in the sky. He reckons ADE is now overstocked by about R40m of goods and in a year's time will be down to a sensible level. There is a very slight increase in orders. ADE is now producing about 60 engines a day (say 40 in the Daimler-Benz part of the plant and 20 in the Perkins tractor section — where each has a capacity of about 110) and Mr Beckurts is hoping for 18,000-19,000 sales for July-June 1983-84 (the plant would need sales of over 40,000 to be viable). Meanwhile the rest of the complex is taking shape, including a Dorbyl forging plant by next April, an aluminium foundry and a Cummins diesel remanufacturing plant next door.

The question must be asked whether the Government is still as committed as ever to its original recipe for total self-sufficiency (excluding only fuel injection equipment and turbochargers), now that the original target for 1985 of 50,000 sales is clearly a nonsense. Part of the answer will involve another sector of the diesel engine market — "stationary" industrial diesel engines, which sell about 10,000 a year. When ADE was set up, Deutz Diesel Power (DDP) — which is owned 70-30 by the local Hudaco and the KHD company of West Germany — was allowed to continue manufacturing its air-cooled diesel engines and also had a four-year contract for the military market, which accounts for about 1,800 engines a year. DDP has been trying to maintain this toehold and is prepared to invest R10m in its Pietermaritzburg plant if it gets assurances of an adequate share of the market. But ADE is hardly in a position to be able to afford charity or concession.

The twist in this is that the Armscor military contract expires next April. DDP says it was given to believe this contract was renewable and also suggests that the military prefers its air-cooled engines (ADE is water-cooled) in desert or combat situations. ADE may argue that military self-sufficiency is the very reason for its existence and also that it has already installed its engines for trial in Armscor vehicles. But DDP claims it can raise its local content to 75 per cent.

To date, Mr Beckurts estimates that ADE engines represent "in excess of 50 per cent" in local content. That percentage can be increased but the company is now all too conscious of the pressure on pricing. For the time being, says Mr Beckurts, he can add local-origin components where they are no more expensive than imported equivalents—"but next year we must make a major decision which could be very costly."

In other words, South Africa must decide whether or not it is seriously insisting on total self-sufficiency for its diesel engines and never mind the cost (excluding only very specialised items such as fuel injection systems), or whether it would be more sensible to qualify the root policy.

As the South Africans know, there are alternatives. They can stockpile strategically vital components, for example, as a defence against sanctions. They could, for that matter, stockpile the vehicles or the engines themselves, though that would be less satisfactory. Or—as Chris Griffith of Sigma was suggesting—they could concentrate on improving relationships with individual countries and companies to keep supply lines open.

Lombard

U.S. propaganda on the airwaves

By Jurek Martin in Tokyo

LAST MONTH, President Reagan had one of his regular weekly radio broadcasts especially beamed into the Soviet Union. The whole operation, conducted with some secrecy to try and get round Soviet jamming, was later described in Washington as the Voice of America's "finest hour."

There are many of us out here on the other end of the ether who would sharply disagree. This is not because of anything the President said, but rather because it was symptomatic of something very sad: that, long before the Russians shot down the Korean airliner, America's external broadcasting system has under the Reagan Administration become no more than a cheap instrument of propaganda.

Readers in Europe and America, well supplied with unrestricted and professional media, may yawn and respond "so what is new." Mrs Thatcher, it will be recalled, was doubtful about the value of the BBC World Service, though the establishment managed to blunt her axe. The other day in Ottawa, she told the Canadian Parliament in effect that the West had to combat Soviet propaganda and disinformation at every turn, thus implicitly embracing the use of the air waves in the conflict.

There are two obvious responses to this: the first is natural—to maintain that the world is not a simple chessboard, in which a battle for the hearts and minds of every country must eternally be played out. There is a surprising number of nations which do not live under either the yoke or fear of Communism, in which reside a vast number of people who would quite like to receive something approximating the New York Times masthead motto "all the news that's fit to print."

Japan is a perfect case in point. For a variety of historical and cultural reasons, the Japanese tend to be myopic in their view of the world; there is, quite simply, not a very marked intrinsic interest in external events unless they impinge directly on Japan (which, for example, much European and American news normally does not). Yet Japan is certainly not about to "go red." Indeed, we do not have even the local equivalent of Arthur Scargill to add even a tinge of colour to the domestic political debate.

Consequently, short-wave radio becomes a crutch for the curious living in Japan. It so happens that the BBC is not easily received here, at least not on the ubiquitous Sony portable; for reasons only an Albanian can guess at, Radio Tirana is also unobtainable most of the time. This leaves three main providers of English-language programmes—Voice of America, Radio Moscow and Radio Pyongyang, among whom there really should be no competition in terms of quality.

And herein lies the second objection to the current sad state of affairs. VOA is being forced down by its own hand to depths hitherto the unique preserves of Radios Moscow and Pyongyang. And both, for the uninitiated, truly are awful. Only Kremlinologists can get any value out of the former, which is notable otherwise only for its signature tune.

Yet the Voice of America these days is doing no better. It is stuffed with anti-Soviet diatribes and homilies on the superior American way of life. Some of the station's "editorials," purporting to represent the opinions of the U.S. Government, would terrify any self-respecting State Department official, if he ever heard them.

This may suit the ideologically motivated in Washington, but it is doing the U.S. no service in a world community which has a far deeper appreciation of U.S. values, warts and all, than the current American regime seems to understand. The Japanese do not need to be told from dawn to dusk that the U.S. is superior to the Soviet Union.

At least some of Britain's residual standing in far-flung parts of the world can be traced to the BBC's ability to present news and opinion fairly and attractively. It is a high ground that the Voice of America could easily aspire to—and indeed one did. There are, in any case, far too many attempts around the world to restrict or distort the flow of information without the U.S., the most secure and most free of all nations, getting into the business.

Letters to the Editor

Government action that is desperately needed

From Mr S. Shenton.

Sir,—It is discouraging there has been so little comment on Sir John Hoskyns ideas and what has been said in the main captions. Industry realises it is responsible for its own destiny but government policy and action is critical.

Widening the field of choice, and opening up the process of government makes sense. The Rayner experiment surely deserved reinforcement not abandonment. Building into operations the ability to change strategy and to innovate is part and parcel of the activity of successful organisations in the outside world and should be just as essential in governmental institutions.

Why therefore is there so much resentment and resistance to constructive suggestions and any proposals for modification of current policy? We are clearly not making a great success of everything, indeed in the North every day factory closures continue relentlessly with rising unemployment, which despite generous benefits remains a menacing social and economic evil.

Whenever some criticism or change is proposed the immediate response is "who is the alternative to the Prime Minister?" The lack of alternative to her leadership with a further four years ahead makes it all the more imperative to force necessary change and variation upon her attention.

Recovery remains precarious and if she fails to stimulate economic expansion the consequences are appalling. Although office has brought some pragmatism both she and her team so restrictively selected to be of like mind are still far too dogmatic, including for example on such matters as public expenditure where they continue to fail to distinguish between revenue and vital capital renewal.

Parliament is where the impact must and should be made. Is it too much to hope and ask that after their extended vacation and fortified by their new conditions and remuneration that members and Conservative back benchers in particular will press upon the Government with every means at their disposal consideration and action on many practical economic alternatives? These clearly exist and are desperately needed.

Sydney Shenton.
95, The Crescent,
Davenport, Stockport,
Cheshire.

Non-executive directors

From Mr A. Woodhead

Sir, — Mr Jonathan Charkham's article (Management Page, September 30) is a serious attempt to show the way to much needed progress in acceptance of the need for non-executive directors and the selection and appointment of suitable persons to carry out the function effectively.

It is logical that PLCs should lead the way in establishing "normal" procedures for appointing non-executive directors. The past slow progress suggests that legislation may be the only way to achieve universal acceptance that a minimum number (three?) should be appointed by every PLC. The actual number must vary with individual company circumstances.

On the mechanics, could one avoid the proposed shareholders' committee for nominations being dominated by major shareholders? They already nominate directors in many instances and small shareholders as an electoral college for nominating directors seems an unlikely mechanism unless their traditional low participation can be altered. In my view, to wait for and try to achieve such major shifts in behaviour would be much too slow a process — at least in the first instance. Once the principle had become established, the procedure for selection and nomination might well include the lines Mr Charkham suggests.

It would be a sad state of affairs if we could not believe that most PLC boards are capable and responsible enough to take part in the selection and appointment of non-executive colleagues, as with executive directors. I can think of nothing more divisive or less likely to produce successful results (presumably the only valid overall objective) than to foist onto a board non-executive directors in the manner suggested.

Help for directors in identifying the blend of qualities needed and selecting candidates has been available for years from consultants and now Mr Charkham's organisation is also available. The more the merrier, if this helps the concept along. There is no shortage of available, suitable talent.

It is normal practice, good business sense and not unusually difficult for any progressive company to have non-executive directors employed in participative roles.

A. B. Woodhead.
The Coach House,
95a Hagley Road, Edgbaston,
Birmingham

City birdwatch by ostriches

From Dr L. E. Furtmüller

Sir,—Birdwatchers are indebted to Mr Button (October 4) for his interesting observations of avian species rarely straying into the City. If, after looking out of the window he had looked into the mirror, he would have discovered a specimen of a not so *rara avis*: the grey-legged ostrich.

Lux Furtmüller.
61 Kidmore End Road,
Emmer Green,
Reading, Berks.

Undisturbed slumbers

From Mr R. Hills

Sir,—Amateur ornithologists like Mr Button (October 4) are themselves a composite version of the species. The birds of paradise (the fool's paradise inhabited by so many of my business colleagues, too fully immersed in their daily toil) becoming ostriches, convinced all will be well if they keep their heads down; taking on the characteristics of the mocking bird when their dreams are rudely interrupted by an unfamiliar species bringing a message of hope which they mistake for a forecast of doom.

It is odd that of all sections of our society the articulate business one appears to be at one with the inarticulate sections in its almost total lack of concern with the dangerous trend of current policies, and the most prepared to entrust its fate unquestioningly to the authorities. When those more awake to the menace of the nuclear cloud hanging low over their heads try to tell them the future is in their hands their reaction is that they have done their bit as responsible citizens and gone to the polls on election day. There their responsibility ends.

Let us hope their slumbers remain long undisturbed, and that those who are trying to wake them up are on the wrong tack.

R. J. Hills,
21 Arkley Lane,
Barnet, Herts.

Arts in the regions

From Mr J. Sykes

Sir,—The ill-timed and pernicious action of the Government through the agency of the Arts Council (reported on October 4) in cutting the regional visits of Covent Garden and English National Opera is a serious blow to the arts in the provinces. It raises a number of points that both Government and the Arts Council should consider.

The recent highly successful visit of Covent Garden to the Palace Theatre, Manchester (84 per cent average attendance) gave a chance for patrons from all over the north to see and hear productions of international standards. The playing of the Halle Orchestra, particularly, complemented the singing most gracefully. With all due respect to regional opera, it cannot produce such an array of musical talent and must be considered, in some cases, a distinctly poor relation. Why should taxes be collected nationally and yet the regions have no further chance to see companies to which so much of their tax allocation to the Arts Council is directed?

If the Arts Council is so insistent on the removal of grant aid for touring national opera, how long and under what criteria will it determine the national touring policy for Glyndebourne Opera; the National Theatre and the Royal Shakespeare Theatre Company? Will these too be halted? If not, why not?

Mr Raymond Slater (who has been instrumental in pushing through the restoration of the Palace Theatre) has withdrawn his company's sponsorship from Covent Garden. Who can blame him for his action after being rebuffed in such an off-hand manner. The Conservative Government has pledged itself to free enterprise but when it has been shown to be successful, as in Mr Slater's case, the rug is pulled from under. Particularly alarming, considering that Mr Luke Rittner, the new secretary to the Arts Council, had been at the forefront of business sponsorship for the arts.

The whole sorry story has shown how pathetically underfunded the arts have been and I fear that the attitudes taken this week bode ill for the period this Government operates its punitive arts funding policy.

James Sykes.
Fir Hill,
Far Dean,
Kirkburton,
Huddersfield.

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EEC COUNTERS CALL FOR MORE FUNDS WITH DEMAND FOR TIGHTER CONTROL

Lomé talks reveal major rift

BY PAUL CHEESERIGHT IN LUXEMBOURG

FUNDAMENTAL differences nf approach to the contents of a new trade and development pact between the EEC and nearly 70 African, Caribbean and Pacific developing natinns (ACP) emerged yesterday in Luxembourg.

A clear clash between developing nations' demands for greater funds and an EEC emphasis on the better management of those funds already being provided was quickly apparent at the start of negotiations for a third Lomé convention.

The second Lomé conventim expires in January 1985, and the twn sides have staked out their respective opening positions for 12 months of discussions to settle the form of e new agreement.

The respective positions were set out for the ACP countries by Mr Archibald Mogwe, the Foreign Minister of Botswana, and for the EEC by Mr Yannis Charalambopoulos, the Greek Fnreign Minister and current President of the EEC Council nf Ministers, and Mr Edgar Pisani, the Commissioner in charge of the EEC negotiating team.

Mr Mogwe, starting from the positinn that the ACP countries are worse off than before the Lomé conventions started nearly 10 years ago, said there should be congruency between the objectives of a new conventinn and the volume of resources it provides, clearly implying the need for more EEC financial assistance.

But the EEC gave no commitment to provide more funds. Mr Pisani said the average European had nnt become more selfish, and, although there is no reason why his contribution should not be larger, it should produce better results.

On specific issues:

- ACP charged that the funding of Stabex, a mechanism to protect developing nations against falls in commodity prices, is woefully inadequate, but the EEC retorted that the problem is not cash but the decline in the ACP systems of production;
- Mr Mogwe called for mechanisms to safeguard ACP exports nf agricultural and mineral products to the EEC, but Mr Pisani ruled out guaranteed prices;
- Mr Mogwe pressed the EEC to demonstrate its political will by responding to years of demands for ACP sugar quotas and guaranteed prices, even before the npening of the negotiations is concluded, but Mr Pisani said an expanded version of the existing sugar agreement is unthinkable.

The EEC is moving into the negotiatinns nn the assumption that the Lomé agreement is politically vital as a north-south relationship free from east-west confrontation, but the changes it is seeking are in the way co-operation is managed, rather than in the nature of the co-operation itself.

The ACP countries, on the other hand, want immediate help with an economic survival programme and a new convention which succeeds where its two predecessors have failed – making a signal contribution to natinnal development plans, over which they have complete sovereignty.

Greater discussion and the definition of policy objectives, which the EEC is seeking so that there is a framework fnr the spending of its develnpment funds, implies a greater measure of EEC involvement in the internal affairs of developing countries.

UK trade minister's career threatened

BY JOHN HUNT IN LONDON

THE POLITICAL future nf Mr Cecil Parkinson, UK Trade and Industry Secretary, is in doubt following the disclosure that be had a relationship with his former secretary Miss Sara Keays, who is expecting his child in January.

Yesterday the official government line was still that the question of his resignation "does not and will not arise," but there is no dnubt thet the affair has seriously damaged his chances of future political advancement and that a move to some other less prominent department at a convenient time cannot be ruled out.

Mr Parkinson had been tipped as a potential future leader of the Conservative Party and as a possible Prime Minister, prospects now suddenly beyond fulfilment.

It is understood that he told Mrs Margaret Thatcher, the Prime Minister, that he was prepared to offer his resignation if necessary but that she refused it.

To have allowed him to resign would have been a major embarrassment for Mrs Thatcher, particularly as Mr Parkinson is her protegé and owes his remarkably swift advancement to ber. As one Member of Parliament put it yesterday: "He has now lost his power base at No 10."

Meanwhile Mr Parkinson maintained his normal schedule and attended a full meeting of the Cabinet.

It is now believed that his recent unexpected move from the party chairmanship was connected with his domestic situation. There was considerable surprise at the time when the post was suddenly given to the comparatively unknown Mr Jnhn Selwyn Gummer, MP, a prominent churchman and lay member of the Church of England Synod.

Originally it had been intended that Mr Parkinson would not give up the chairmanship until next year and would stay on at least until next week's Conservative Party conference in Blackpool. Nevertheless, he still intends to speak in his ministerial capacity on trade and industry at the conference next Thursday.

Mrs Thatcher has strong views nn personal morality, and the need to strengthen family life was a central theme of her election campaign.

The episode has caused intense annoyance among Conservative backbenchers and reinforced the view of some of them that the new Government has become "accident prone." Although they believe the incident will not dn lasting electoral damage they see it as a blow to party morale but feel, however, that Mr Parkinson was right not to resign.

As one senior backbencher put it: "It is a matter fnr regret and will certainly have a dampening effect on the conference. MPs and the rank and file will inevitably be upset."

Mr Parkinson's mercurial rise now seems to have come to a halt. Aged 52, he became Conservative MP for Hertfordshire South in 1974, a constituency now changed to Hertsmere. In 1979, he became Minister for Trade and was appointed party chairman in 1981. He suddenly shot to national prominence when Mrs Thatcher took him into the "war cabinet" during the Falklands crisis when he acted as Government spokesman with constant media exposure.

There was further pre-conference embarrassment for the British Government yesterday with the publicatinn of a letter in The Times newspaper from Lord Alport, the 71 year-old Conservative peer who was a former Commonwealth Relations Minister and one time director of the Conservative political centre.

He claimed that Mrs Thatcher showed an apparent vindictiveness and lack of magnanimity. She also seemed to show a lack of sympathy for the under-privileged and to demand a "narrow conformity" from her colleagues.

This follows recent criticism from Mr Julian Critchley, Conservative MP for Aldershot, who described her as "the great she-elephant"

Conference news, Page 14

China threatens to announce policy on HK

BY MARK BAKER IN PEKING

CHINA's campaign against the UK over negntiations on the future of Hnng Kong gathered further momentum yesterday, with a threat by Peking to announce independently its intentinns nn the British colony despite British insistence that the negotiations are confidential.

In another strong broadside against the British Government, the People's Daily, the official Communist Party newspaper, said: "If it (Britain) stubbornly sticks to its wrong stand, China will certainly not wait fnr long, still less without a time limit. It will announce its policy towards Hong Kong at an appropriate time."

This latest attack comes at a time when British Government talks are getting underway in London, involving Mrs Margaret Thatcher, the Prime Minister, and Sir Edward Youde, the colony's Governor, and is a further escalation in Peking'a apparent attempts to try to fnrce Britain to drop its attempts to secure a continuing administrative role in Hong Kong after the colonial leases expire in 1997.

Fnrmal negotiations between the two countries are due to resume in a fortnight's time.

Continuing China's criticism of Mr Richard Luce, the Fnreign Office Minister responsible for Hong Kong, the People's Daily said in a terse leading article that "threats to the Chinese Government and people will come to nothing."

"If talks shnuld fail because of the colonialist stand of Britain, all consequences henceforth should be born by the British Government."

Yesterday'a commentary was headed "Nn more talk like that, Mr. Luce," and appeared nnly a day after the country's nfficial news agency, Xinhua, carried its own broadside against the Foreign Office Minister and the Prime Minister.

During a visit to Hnng Kong last week, Mr Luce criticised China for breaking confidentiality on the talks and said China's attempts to put an early deadline nn the negotiations "could be counter-productive."

"This is nothing but putting the blame on the other and confusing public opinion," the newspaper said. "In fact, Britain is exerting pressure nn China by the use of the media." China had, it said, never disclosed details of the content or progress nf the talks.

The editorial claimed Mr Luce had disclosed details of the talks in the British press and that Sir Edward had given details improperly to members of the Hong Kong administratinn.

"The British side has been all the time preparing public opinion in a big way through the papers under its influence, advocating "exchange sovereignty for right nf administration" and "continue British rule over Hong Kong under the principle of acknowledged Chinese sovereignty" it said.

"The essence of the question is that Hong Kong is part of Chinese territory and that it is still occupied by Britain. China, as a sovereign state, will recover its sovereignty over Hong Kong and the administration of it is nnt for discussion."

Robert Cottrell adds from Hong Kong: The stock market's Hang Seng index fell 16.76 points yesterday to close at 700.92. The market has been unsettled in recent days by a series of local financial traumas, including the near-failure of the Hang Lung Bank last week, and the arrest of senior directors of crashed property group Carrian. The index is still clnse to its low for the year of the 690.06 recorded nn Tuesday.

Editorial comment, Page 18

Kinnock leads fight on welfare and health

Continued from Page 1

Labour MPs were saying yesterday that Mr Kinnock and Mr Roy Hattersley, the new deputy leader, had succeeded in bringing the party closer together than for some time in e conference marked generally by goodwill, and the isolation of the far left. In the words of one centrist MP all this has been "only a necessary, not a sufficient condition. The election taught MPs and many constituency activists how out of touch Labour had become from its traditional voters. This week has been a start. There is still a long way to go."

In particular, there have been no shifts in policy and the conference has still adopted some very ambitious motions, on, for example the introduction of a statutory minimum wage and the guarantee of a joh to every school leaver. There is also the considerable confusion over nuclear weapons policy.

The leadership has sought to maintain the argument that the broad approach adopted by the party at the election was right, while seeking maximum freedom of manoeuvre to shift policy over the coming two years on, fnr example, the sale of council houses and incomes policy.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	23	73	Dubrovnik	S	22	72	Malaga	S	26	79	Salzburg	R	14	57
Akrotiri	S	27	81	Faro	S	26	79	Malta	S	25	77	Seoul	S	29	84
Algiers	S	27	81	Florence	F	23	73	Manila	S	32	90	Singapore	R	31	88
Amsterdam	R	15	59	Frankfurt	F	17	63	Miami	C	31	88	Stockholm	C	14	57
Athens	S	25	77	Funchal	R	25	77	Milan	S	32	90	Strasbourg	F	18	64
Bahrain	S	35	95	Geneva	C	18	64	Moscow	C	10	50	Sydney	R	16	61
Bangkok	C	32	90	Gibraltar	S	25	77	Munich	C	14	57	Taipei	S	33	91
Barcelona	S	25	77	Guernsey	F	15	59	Nairobi	—	—	—	Tangier	S	30	86
Beirut	S	27	81	Helsinki	C	8	46	Naples	S	21	70	Tehran	—	—	—
Belgrade	S	26	79	H. Kong	S	31	88	New Delhi	S	34	93	Tel Aviv	F	25	77
Berlin	C	15	59	Innsbruck	C	15	59	New York	R	26	79	Tenerife	C	26	79
Biarritz	S	22	72	Inverness	R	11	52	Nice	S	23	73	Tokyo	F	23	73
Blackpool	C	17	63	Istanbul	S	28	82	Oporto	C	19	66	Toronto	R	16	61
Bordeaux	C	22	72	Jersey	F	18	64	Oslo	S	12	54	Tunis	F	25	77
Brussels	F	18	64	Jo'burg	S	21	70	Paris	C	16	61	Valencia	S	26	79
Budapest	F	22	72	Las Palmas	C	25	77	Prague	—	—	—	Venice	Fg	18	64
B. Aires	F	21	70	Lima	C	20	68	Reykjavik	F	5	41	Vienna	F	20	68
Cairo	S	27	81	Lisbon	S	24	75	Rio de J'o	S	29	84	Warsaw	F	24	75
Cape Town	—	—	—	Locarno	S	21	70	Rome	F	24	75	Zurich	C	14	57
Caracas	—	—	—	London	F	18	64								
Casablanca	S	28	82	Los Angeles	C	25	77								
Copenhagen	R	13	55	Luxembourg	C	14	57								
Corfu	S	26	79	Madrid	S	26	79								
Dublin	F	15	59	Majorca	F	23	73								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Brussels plans to cut butter surplus

Continued from Page 1

Heinrich Aigner, a West German Christian Democrat, had previously won the backing of a parliamentary committee for a motinn nf censure of the Commission if the Christmas sale was turned down.

But the Commission has made it clear that the proposal was extremely expensive – costing around $300m – and that there is no scope within the Community's budget ceiling for funding it this year.

Reuter adds: New Zealand's Foreign Minister, Mr Warren Cooper, yesterday described European protectionism as shocking and said the European Community would not resolve its problems by cutting butter imports from New Zealand.

"We keep telling them the answer is e political decision that will be hard for them to make and their producers to stomach," he said et a news conference in response to Commission proposals to reduce butter imports from New Zealand.

Mr Cooper, who is also Overseas Trade Minister, said that during an overseas trip starting tomorrow he would try and convince European ministers to hold New Zealand's butter access at the new levels.

He said there was also a suggestion the EEC might reduce the price New Zealand gets for its butter.

On the credit side, the proposals meant that New Zealand had at least secured special access to the Community and some stability for the next five years.

Northern Telecom move

Continued from Page 1

In the U.S. Northern Telecom is also one of the largest vendors of private branch exchanges after AT&T. It faces strong competition from Rolm – the company which in International Business Machines bought a 15 per cent stake earlier this year – which also has a digital system. Mitel, another Canadian company, also has a similar share of about 15 per cent of the U.S. market, but competes with small, low-cost analogue exchanges.

BT, which has become much more cost-conscious since losing its monopolies and facing the prospect of sale to the private sector, has warned that it might consider another source for main exchange equipment if British companies failed to deliver at a competitive price.

Northern Telecom currently employs 330 people in the UK in a computer systems company. It is to establish a new subsidiary in the UK, specialising in telecommunications and data communications.

Mauroy cautious on EEC expansion

By David Housego in Paris

AN ENLARGEMENT of the EEC was not possible until the Community had solved its internal financial problems, M Pierre Mauroy, the French Prime Minister, said yesterday.

Opening a major debate in the Netional Assembly on foreign affairs, M Mauroy welcomed enlargement in principle but said that it had to be linked to both the reinforcement of the Community and to making available additional funds for Mediterranean fruit and vegetable producers.

The debate, demanded by the opposition, is one of very few on foreign affairs during M François Mitterrand's presidency. It reflects growing anxiety over French commitments in Lebanon and Chad as well as some fraying at the edges of what has been a broad consensus over foreign policy.

On Lebanon, the opposition RPR party has criticised the Government for not retaliating faster in de-

M Pierre Mauroy

fence of French troops. The Communist party has taken the opposite tack of encouraging their withdrawal.

More embarrassing to President Mitterrand has been the Communists' proposals – in line with those of the Soviet Union – that French and British nuclear weapons should be taken into account in the Geneva talks on limiting intermediate weapons.

The debate also comes at a time when M Mitterrand has been telling the French Cabinet that he regards the international situation as "volcanic" and that France would take a tougher attitude towards Britain over EEC issues at the Athens summit than it did in Stuttgart.

In his opening speech, M Mauroy avoided controversy. On Europe, be pressed French ideas for greater cnordinatim over industrial norms, public purchasing policy, co-operatinn between European companies and combined infrastructure projects. He warned against allowing Europe to be a "simple zone nf free trade" and spoke of the need for a more dynamic external trade policy to protect EEC members against dumping from outside.

EEC cuts claim over steel ban

GENEVA – The European Community has cut to about $100m the amount of compensation it is seeking fnr injury resulting from U.S. import restrictions on special steels but it failed to secure an agreement with the U.S. as a third round of talks on the subject ended yesterday.

An initial EEC request for about $570m had been based on a calculation of how much trade would be lost between 1983 and 1987, according to sources close to the talks. The new figure was reached by recalculating the damage to the EEC's special steels industry on the basis of duties that would have been collected over the four years.

The amount still far exceeded a U.S. proposal, also estimated nn a "duties collected" basis hut using a shorter period, which was revised upward to "over $1m" from a previnus nffer of roughly half that value, according to the sources.

Herr Horst Krenzler, the EEC negotiator, termed the revised U.S. proposal "unsatisfactory" and requested a further round of talks before October 28.

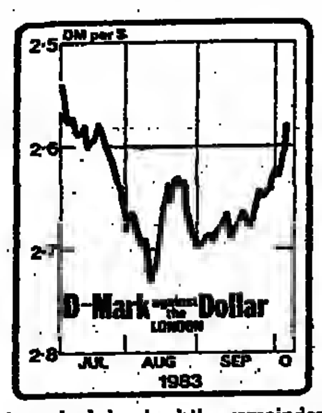
Herr Krenzler criticised the U.S. proposal because it would provide compensation only for injury stemming from higher U.S. tariffs and not for damage resulting from associated import quotas.

Mr Peter Murphy, U.S. deputy trade representative, said, however that the impact of the quotas was being considered and that the U.S. had not got "sufficiently far in (its) analysis to conclude anything at this point in regard to the quota aspects." AP-DJ

THE LEX COLUMN

Fallout from the dollar

Too many premature obituaries of the dnllar have been written for anybody to stand up and simply call the turn in the currency market. The U.S. currency has time and again come back from what seemed like the long-awaited acceptance of its fundamental weakness. So the past week's 2½ per cent fall against the D-Mark is scarcely going to be taken as definitive unless it goes a good deal further.



But some cracks may et last have begun to show. For one thing, the dollar seems to have stopped responding to the sort of news which, over the summer, would have created a Pavlovian rush of buying.

Moreover, previous dips in the dollar have tended to occur at moments when the Federal Reserve seemed to have loosened its monetary policy or interest rates had started to fall. But in recent days, U.S. interest rates have been noticeably firm, with Fed Funds trading well above 9 per cent.

However, the Fed's system repurchase yesterday, acting directly to keep short interest rates from rising in New York, had the natural effect of pushing the dollar further downhill. Chicago speculators carried on piling into the D-Mark and yen, as they had been doing all week.

The widening U.S. current account deficit has throughout been financed by a heavy stream of capital flowing into the U.S., attracted by the relatively high return on dollar instruments. But the capital influx now seems to be slowing down, while the current outflow continues to increase; a current account deficit of $40bn in 1984 is the sort of estimate which may now be starting to weigh on the market.

Current account strength and relative inflation alike suggest that the yen will be the prime beneficiary – or victim – if investors really are embarking on a major reshuffle of their currency holdings, unwinding the long dollar positions which built up in the first eight months of this year. But so far the Swiss franc and the D-Mark are drawing some of the fire, with the usual knock-on effects on the weaker currencies in the European Monetary System.

Dunlop

After last month's Sumitomo deal, it was only a matter of time before Dunlop announced its withdrawal from tyre manufacture in France. The dismemberment of the only remotely viable European tyre plants had deprived the remainder of any vestigial commercial logic and, as the worst loss-maker of all, France stood at the top of the group's closure list.

Not surprisingly, Dunlop failed to find a buyer for the French company and, because it proved politically impractical to shut down the tyre plants while retaining the other interests, the whole subsidiary has been placed in the hands of the Receiver.

The balance sheet of Dunlop SA is a finance director's nightmare. Successive losses have produced a deficit on shareholders' funds of £27m, which has been progressively written off in the group accounts. Bank debt totals £60m, on top of which sit inter-company loans and trade debts of £17m. The fixed assets are in the books at £24m and net working capital is valued at £26m.

How much the French Receiver will salvage from that wreckage is anyone's guess. Dunlop will be anxious to buy back its own nnn-tyre interests, while inventories will presumahly make close to their book value. Overall, the operation is likely to damage the group's cash flow, as a result of the severance costs, while making only a modest dent in the balance sheet.

The market, understandably, is reserving judgment on Dunlop. The shares stood at 54p immediately before the Sumitomo news leaked out. Last night, they were showing an advance of only 1p on that figure.

Stockbrokers

That a powerful team of analysts is not everything in stockbroking is shown by City Research Associates' confidential survey of institutional investment. It reveals that the market shares of the leading firms do not correlate at all closely with the rankings of the Continental Illinois survey which has recently celebrated its tenth anniversary. The CI survey is widely criticised on grounds of both scope and construction, but in the absence of anything better it is much studied. The CRA survey, however, reveals that the quality of service from institutional salesman is a more potent factor in winning or losing commissions than research. All the same, the research-based firms appear to have been slowly gaining at the expense of the likes of Cazenove or Rowe and Pitman.

An interesting structural feature of the London stock market is that gilt-edged broking is much more concentrated than equity dealing: just six firms account for 53 per cent of gilt-edged commissions whereas the same slice of the equity business is spread between 13 firms. With the axe hovering menacingly over gilt-edged commission rates, the threat is obvious to firms like Greenwell and, most clearly of all, Mullens with 10 per cent of commissions in gilts but just 1 per cent in equities. Does anybody want to merge with the Government broker?

Mitchell Cotts

If any overseas trading company epitomises the risks of exposure to low quality overseas earnings, it is Mitchell Cotts. The group's performance over the past decade makes the earnings record nf Lonrho or Inchcape look positively thrilling.

Cotts' sales have doubled to £400m in that period, while profits have hardly budged. Yesterday, the company reported profits before tax of £7.4m for the year to June, a fall of 24 per cent. After the usual high overseas tax charge, it has dipped into reserves to pay a maintained dividend.

The company is sensibly trying to strengthen its UK base, mindful no doubt of the unrecovered ACT available to it if domestic trading profits hit the £9m a year target which Cotts has set. The second half of the year has provided some encouraging signs. The UK turned up across the board, with transportation helped by the acquisition of the Avis contract hire fleet and engineering receiving a boost from the first time contribution nf Howard Humphries. After all the past disappointments, however, the stock market is taking nothing on trust. At 40p last night the shares were yielding no less than 13.7 per cent.

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SECTION II – INTERNATIONAL COMPANIES

FINANCIAL TIMES

Friday October 7 1983

Dayton in major spending programme

DAYTON HUDSON, the fifth largest retailer in the U.S., plans capital spending of $2.4bn by 1987, according to Mr Richard Shall, vice-chairman (Reuter reports).

The heaviest capital spending, including capitalised leases, is expected to occur this year and 1984 and focus on acquiring new sites for expansion of the company's store chains.

Mr Shall said 85 per cent of the spending over the five-year period would be concentrated on the company's most successful growth areas, the retail chain stores Target and Mervyn's.

Dayton Hudsoo plans to opeo 39 new Target stores this year and an average 15 more per year until 1987, bringing the total to 270. Seventeen new Mervyn's stores will be opened in 1983 and 90 more are planned in the next four years, bringing the total to just over 200 in 1987. Reuter

● NEW YORK – CPC International, the New Jersey grocery products company, plans an expansion and productivity improvement programme costing well over $300m and possibly as much as $345m in 1984 and continuing at about that level for at least three to five years. AP-DJ

MCI pledges to match telephone price reductions

BY PAUL TAYLOR IN NEW YORK

MCI, the fast-growing U.S. telecommunications group, will continue to undercut American Telephone and Telegraph (AT&T) long-distance telephone charges even after AT&T cuts its own charges as part of the Bell system breakup.

MCI is the first of AT&T's major competitors to announce its response to the latter's plan to reduce long-distance charges from January 1 by an average of 10.5 per cent. the AT&T rate reduction was formally announced earlier this week as part of the reorganisation of telephone charges which are aimed at removing the subsidy of local calls by long-distance traffic.

Mr Bert Roberts, MCI chairman, said the company would make cuts if needed to maintain its current discounts of up to 50 per cent below AT&T's long-distance rates and up to 20 per cent below AT&T's wide area telecommuniations service (WATS) rates.

MCI has yet to announce precise details of its charges structure after the January 1 divestiture, but has made clear that it intends to remain the low-cost leader for long-distance telephone users.

MCI's decisinn appears to be good news for long-distance telepbone users but could intensify the already fierce battle among the major U.S. telecommunications companies for the market share and potentially barm long-distance carriers' profits.

Mr Roberts, highlighting the carriers' other major coocern at the moment, said MCI's payments to local telephone companies would "more than double", under Federal Communication Commission (FCC) proposals covering access charges after January 1. He said, however, that he expects the FCC order to be modified.

Under the FCC plan, AT&T's costs to access local telephooe companies local networks will decline, but the other major eight long-distance carriers will face sharply higher access charges.

Senior executives of all the major long-distance carriers, excluding AT&T have already protested to the FCC that they will be severely harmed if the FCC's access charge scheme goes aread.

Firestone takes full control in Spain

By David White in Madrid

FIRESTONE Tire and Rubber of the U.S. has reached agreement with the majority shareholders of Spanish tyre manufacturer, Firestone Hispania to take over full control of the company, which is to become its principal European operation.

The share deal valued at more than $25m, is linked to planned investments of some $20m by the U.S. group to develop the Spanish company. It still requires Spanish Government approval.

The future of Firestone Hispania has been in question for some time amid doubts about the European intentions of the U.S. group, which up to now has had a 26.25 per cent stake.

The agreement follows negotiations between the Spanish company and other major foreign manufacturers, including Goodyear and Continental, with a view to becoming integrated in a larger group.

Firestone Hispania suffered a pre-tax loss of Pta 572m ($3.8m) last year after implementing production cutbacks to reduce excessive stocks.

In the first half of this year it moved out of the red with profits of about Pta 350m but is expected to almost break even for the year after suffering damage from the recent flooding in the Bilbao region, according to Sr Javier Goitia, its finance director.

Turnover is expected to be around Pta 38bn, against the Pta 40bn originally planned.

The final takeover price, still to be settled, will be between $6.90 and $7.50 a share – or between $25.4m and $27.7m in total.

Five Spanish banks – Bilbao, Vizcaya, Hispano-Americano, Banesto and Urquijo – hold 55 per cent of Firestooe Hispania's capital.

The agreement with Firestone of the U.S. fulfils the ambitions of the Spanish company, which has about 30 per cent of the domestic tyre market but only limited exports, to gain much larger access to foreign markets. Sr Goitia said Firestone Hispania aimed to build the export share up to between 30 and 35 per cent of sales. The company has up to now been hampered by its licensing agreements with Firestone and other groups.

ITALIAN POLICIES ON OVERSEAS INVESTORS ATTACKED

ENI calls for easier conditions on entry by foreign oil groups

BY JAMES BUXTON IN ROME

ENI, the Italian state energy group, yesterday called publicly oo the Italian government to make conditions on the Italian nil market mnre attractive to the major foreign nil companies. It wants the government to stop the trend of fnreign oil companies of leaving Italy, which it says is increasing.

Sig Giancarlo Grignaschi, ENI's vice-chairman, said thet the abandonment of the Italian market by foreign oil companies would have "negative results" both for the country and for ENI. The Italian state company did not have the oil production to meet the growing share of the market it was expected to supply and its structure was in danger of being further distorted if the process weot on. Italy needed to be supplied by "integrated" oil companies.

ENI now meets sligbtly more than balf Italy's crude-oil needs, e proportioo thet has risen sharply in the past few years as other nil companies have pulled nut nf Italy or reduced their operations there.

Shell and BP left in the 1970s. Amoco sold out earlier this year, and the fact that the recently agreed sale of Chevron's European nperatinns to Texaco excluded those io Italy suggested that Texaco did oot wish to become further involved in Italy, where it bas a small operetion.

The oil majors dislike the Italian market because price controls are so rigid and nther conditions so restrictive that it is almost impossible to make profits. Esso Italiana, the largest foreign oil company in Italy, lost L282bn ($179m) in 1982 and Chevron Oil Italiana lost L34.7bn.

ENI operates under the same market conditions but with the added disadvantage of meeting a mucb lower percentage of its sales from its own productinn. In 1982, Sig Grignaschi said, ENI's nil production amounted to only 26 per cent of its sales of petroleum products. In the two years 1981-82 it lost L2500bn on its petroleum nperations.

Sig Grignaschi was presenting a study made by ENI of major oil companies thet showed that in the past few years they have shifted much more rapidly than ENI away from diversification into other energy sources and back to concentrating on petroleum production and marketing.

As Sig Grignaschi pointed nut, ENI differed from other companies in being state-controlled, with its operations mainly cooceotrated on one market – Italy.

Cigahotels secures venture in U.S.

By James Buxton in Rome

ITALY'S Cigahntels group, famous for sucb hotels as the Gritti and Danieli in Venice, is to export its knowhow in running the traditional European grand botel to the U.S.

After more than a year nf negotiatinns it has made an agreement with Equitable Life, the world's third biggest insurance company, and its hotel subsidiary, Continental, under whicb Ciga will give them the exclusive rigbt to the Ciga formula in the U.S. and technical assistance in applying it.

Equitable Life end Continental, which already bas 5,000 hotel beds in the U.S., will establish e jointly owned company to build and run 28 luxury botels in the U.S. in the style and to the standard of Ciga. Ciga will later take a 5 per cent stake in this company.

Ciga will benefit from royalties for the use of its formula and will also be paid for services and equipment supplied to the U.S. botel concern.

Ciga, whose beadquarters is in Venice, bas expensive luxury botels all over Italy, but this is its first major overseas venture. It is cootrolled by Fimpar, part of the Interprogramme group headed by Sig Orazio Bagnasco.

Acorn sets sights on U.S. schools

By Our New York Staff

ACORN Computers, the UK-based computer company, yesterday launched its highly successful BBC Microcomputer on to the U.S. with the aim of taking a major share of the emerging education market.

Acorn, which developed the Microcomputer in conjunction with the BBC and now claims 85 per cent of the UK school market for computers, said it plans to start shipping the units to the U.S. this month and expects to win "a major share" of sales to the 95,000 elementary and secondary schools in the U.S.

The company said studies suggest the use of computers in U.S. schools will grow to about 86 per cent by 1986 and that shipments will increase at a compound annual rate of about 40 per cent to about $887m in 1987 from an estimated $343m this year.

AT & T continuing Olivetti talks

BY PAUL BETTS IN PARIS

AMERICAN Telephone and Telegraph (AT&T), the dominant U.S. telecommunications group, is continuing discussions with Olivetti with a view to buying a stake in the leading Italian office equipment concern and expanding its presence in the European market.

Mr Robert Allen, At&T's chief financial officer, confirmed in Paris yesterday during a meeting with French financial analysts that the U.S. telecommunications group was holding talks with Olivetti. But he said no agreement had so far been reached and that there was no certainty at this stage that a deal would be made.

Nonetheless, Mr Allen said AT&T was keen to expand its business in Europe as quickly as possible. "We want the international part of our business to grow as rapidly as we can," he said.

AT&T has been discussing possible collaboratioo ventures not only with Olivetti but with otber European and U.S. companies.

The U.S. company's international strategy is designed to minimise the risks of building an international presence and take advantage of the marketing and distribution networks of companies already operating abroad. Mr Allen said AT&T was particularly pleased with its collaboration deal with Philips of the Netherlands to develop digital telephone switching and transmission systems.

AT&T is currently undertaking a big reorganisation involving the divestiture of its local telephone operating subsidiaries in the U.S.

London Brick set for takeover battle

BY RAY MAUGHAN IN LONDON

LONDON BRICK, the sole manufacturer of fletton bricks in Britain, is preparing for e possible bid battle. A total of 7m shares was acquired by one buyer in the stock market on Wednesday at e price thought to be a little under 90p ($1.34). The shares closed at 94p yesterday, unchanged on the day, but dealing was reported to be very brisk.

The identity of the seller has not been disclosed and the shares may have come from many sources. They amount to almost 5 per cent of Londoo Brick's equity, allowing for the convertible loan stock, and one medium sized broker is understood to have sold the entire holdings of its private and institutional clients.

The group which has a market value of £131m has already identified Hanson Trust, the diversified bolding company which owns Botterley brick, as a probable holder of an approximately similar stake which, it is understood, was built up through a Channel Islands company during the summer.

The stock market has no way of telling accurately whether Hanson has acquired the second tranche of Londoo Brick shares but Hanson would have five working days under the terms of the 1981 Companies Act to declare any bolding in excess of 5 per cent. The market is beginning to anticipate a bid battle if Hanson declares its hand next week with a price of 120p per share as a rumoured starting point.

London Brick itself had been looking for acquisitions this year.

A Court makes headway in BHP offer

By Michael Thompson-Noel in Sydney

MR Robert Holmes à Court is making beadway with his controversial offer for shares in Brokeo Hill Proprietary (BHP), the Australian multi-resource leader.

Wigmores, a subsidiary of Mr Holmes à Court's master company, Bell Group, is offering about A$13.40 (U.S.$12.86) per BHP share, in shares and cash, plus a free share option. The bid has been condemned by BHP as a capital-raising "device".

However, Wigmores is understood to bave received acceptances to date on behalf of some 450,000 BHP shares – or 0.13 per cent of capital.

Mr Holmes à Court hopes to acquire 2 to 3 per cent of BHP.

Earnings up at W.P.-P.

WEST POINT-Pepperell, the hig Georgia textiles company, posted net earnings of $16.7m, or $1.62 a share, in the fiscal 1983 fourth quarter, up sharply from $11.2m, or $1.11, in the comparable period last year.

The rise belped the company to full-year earnings of $52.3m, or $5.10, against $43m, or $4.27. Sales rose from $1.11bn to $1.21bn, with $325.1m ($269.9m) in the fourth quarter.

INTL. COMPANIES

Myer Emporium sales up but earnings slide 47%

BY MICHAEL THOMPSON NOEL IN SYDNEY

MYER EMPORIUM, Australia's third largest retailer and 32nd biggest company, saw a 47 per cent slump in net profit in the year to July, to A$10m (US$8.9m), a result described as "totally unacceptable" by the group's executive chairman, Mr Baillieu Myer.

The fall in profit occurred despite a 7.4 per cent improvement in group sales, to A$1.8bn.

However, the damage was compressed into the first half, and the group said that sales in August and September indicated that retail trading conditions were "gradually beginning to improve."

In addition, the year saw an extraordinary profit of A$43.3m, partially derived from property sales.

A final dividend of 6 cents a share has been declared, payable on December 12, for an unchanged total of 11.5 cents a share.

Interest charges in the year jumped from A$57.8m to A$74.8m.

The 1982-83 profit included only five weeks' contribution from Grace Brothers Holdings, the Sydney-based retail and transport group acquired by Myer earlier this year in a A$213m deal, following a protracted struggle with Mr Alan Bond's Bond Corporation, and other rivals.

"The acquisition of Grace Brothers greatly strengthens our position as the leader in Australian department store retailing, and will result in significant long-term benefits," said Mr Myer.

Jusco stages first-half advance

BY YOKO SHIBATA IN TOKYO

JUSCO, THE Japanese supermarket group, has reported increased profits for the first half of this year and expects to register a further improvement over the rest of fiscal 1983-84.

The company, which ranks number four among supermarket chains in Jepan, says the hot summer weather has helped boost sales in the half-year ended August 20, although gross profit margins have narrowed.

On sales 7 per cent ahead at Y331bn ($1.4bn), net profits for the six months have improved by 4 per cent to Y3.8bn, on an unconsolidated basis. Recurring profits rose by 8½ per cent to Y6.8bn.

For the whola of this year, Jusco forecasts net profits of Y9bn — a rise of 3½ per cent — from which it expects to pay a maintained annual dividend of Y18 a share, including a special dividend of Y8 a share.

Sales of air conditioners were especially helped by hot summer weather. Sales of ladies clothing and home electric appliances surged by 11.7 per cent and 7 per cent respectively. The gross profit margin declined slightly by 0.4 per cent point to 24.3 per cent.

However, the narrower gross margins were, to some extent, offset by lower expenditure resulting from delayed opening of new stores. Owing to stricter limitations imposed on new foundations by the Large Retail Store Law, the company opened only one direct-management store, and six stores were opened through local subsidiaries.

Surge in profits forecast for Japanese city banks

BY OUR FINANCIAL STAFF

JAPAN'S big city banks are expected to turn in a strong profits performance for the first half of this year, according to monetary officials in Tokyo.

The 13 big banks are slated to run up recurruing profits of Y490bn ($2bn) for the six months ended September, 1983. This would represent a rise of 28 per cent, reflecting redneed funding costs and a less steep decline in rates of lending.

However, the interim profits would represent a decline of 7 per cent from the profits accorded in the second half of fiscal 1982, due mainly to smaller profits from sales of securities.

In second-half fiscal 1982, the city banks sold large segments of their securities portfolios to provide for loan losses overseas.

The number of "problem" countries requiring provision according to criteria set by the Finance Ministry has increased to 30 from 25 at the end of last March, but they are all small borrowers.

Interim payout by C. Itoh

BY OUR FINANCIAL STAFF

C. ITOH, one of Japan's "big three" commercial houses, is to pay an interim dividend for the half-year ended September 30, after passing the payout in the previous corresponding period.

The size of payment and first half company results are due to be announced early next month. The last interim paid by the company was Y2.5 a share, paid for fiscal 1981-82, followed by a final of Y2.5 e share. A single dividend of Y3 a share was paid for the year ended last March.

A parent company recurrent profit of Y12bn ($49m) and an after-tax profit of Y1.5bn is expected for the latest six months, against Y13.81bn and Y1.52bn respectively for the previous corresponding period.

The expected profit decline reflects continued slow demand for steel, petrochemical and construction material, and an extraordinary loss associated with Tao Oil.

First-half sales of Y6,200 are forecast, against Y6,093bn previously.

● Daiwa Steel Tube Industries and Tubel, a Belgian steel tube maker, have set up e joint venture company in Mons, Belgium, to produce oxygen lance pipes to be used for steel making furnaces, reports Reuter from Tokyo.

MUI sells sugar refining interests

By Wong Sulong in Kuala Lumpur

MALAYAN UNITED Industries (MUI), the diversified Malaysian group, has announced the disposal of its sugar refining interests for nearly 70m ringgit (U.S.$30m).

The purchasers are the Pernas group, a Malaysian government investment and trading agency, and Grenfell Holdings, which is part of the Kuok group, which operates the country's biggest sugar refinery.

MUI said its 77 per cent-owned subsidiary, Malayan United Manufacturing, will sell 95 per cent of its stake in Central Sugars Refinery to Pernas and Grenfell for 69.9m ringgit, retaining for itself a 5 per cent stake.

Both Pernas and Grenfell will have equal stakes in Central Sugar Refining, and will pay in cash.

MUI said it would realise a capital gain of 38.55m ringgit from the sale.

The Kuok group, known as the sugar king of South-East Asia controls a publicly listed company called Perlis Plantations, which in turn has a 99.4 per cent stake in Malayan Sugar Manufacturing Company.

With the purchase of Central Sugar Refinery, the Kuok group now has a virtual control of sugar refining and distribution in Malaysia.

INTERNATIONAL APPOINTMENTS

Chairman at Marsh & McLennan subsidiary

● Mr Robert J. Newhouse Jr will become chairman of MARSH AND McLENNAN, the principal subsidiary of Marsh and McLennan Companies Inr from December 1. He will succeed Mr Alessandro C. di Montezemolo as chairman of the company's risk management and insurance brokerage arm following Mr di Montezemolo's retirement. Mr Robert Clements, vice-chairman, will become chairman of the newly-created executive committee of Marsh and McLennan Inc which will include Mr Bruce W. Schnitzer, president and chief executive, Mr Newhouse and Mr Clements, Mr Sherwood C. Blake, Mr Philip J. Brown Jr and Mr David D. Holbrook, all executive vice-presidents.

● R. J. REYNOLDS TOBACCO INTERNATIONAL INC has appointed Mr Reinhard W. Bockstette international brand director for Camel, a new position at the company's Winston-Salem headquarters in North Carolina. Mr Povl van Deurs Jensen, currently regional director, Scandinavia/Iceland, R. J. Reynolds Tobecco AB, Scandinavia, will succeed Mr Bockstette as general managor, R. J. Reynolds Tobacco in Switzerland.

● Mr I. A. Renard, partner, Arthur Robinson and Co, and Dr D. R. Stewart, managing director, Metal Manufactures, have joined the board of NORTH BROKEN HILL HOLDINGS as directors.

● Mr. J. A. "Fred" Brothers is the new president of ASHLAND CHEMICAL COMPANY. He succeeds Mr Edward A. Von Doersten, who will remain senior vice-president of Ashland Oil Inc until his retirement on January 31 1984. Both men will continue to be based st Ashland Chemical's headquarters in Columbus, Ohio.

● Prince Wilhelm Karl of Prussia has retired from his position as a senior director of DRAGOCO, HOLZMINDEN and the International Dragoco group. He will remain chairman of Dragoco's advisory council. Mr Dietrich Fuhrmann and Mr Horst-Otto Gerberding, joint managing directors of Dragoco Holzminden, have moved into the groop's international management and will also continua to be responsible for Holzminden. Mr Carl-Heinz Gerberding will remain as chairman of the board of Dregoco Holzminden and as president of the international group. Mr Jack G. Kruk, who has been responsible for international sales and marketing becomes managing director of Dragoco Italia, in Milan. Dr Volker Schaub is leaving the Dragoco group to form his own consultancy.

● The board of R. R. DONNELLEY AND SONS COMPANY of Illinois has elected Mr Carl K. Doty, group vice-president directory group, and Mr Ronnie L. Smith senior vice-president of the western catalogue and tabloid sales division. Mr Donnelley was director of the Spartanburg, SC, manufacturing division. Mr Smith was director of the western catalogue and tabloid sales division.

● Dr K. G. Sansom has been appointed managing director of the LAPORTE AUSTRALIA GROUP, the biggest overseas manufacturing and trading subsidiary of Laporte Industries, from November 1. He was an international business manager for Laporte, based in London.

● The following changes have been made in the senior management structure of ALCAN ALUMINIUM. Mr Eric F. West, a senior vice-president, will take up the new office of senior executive vice-president and deputy to Mr David Culver, the president and chief executive officer. Mr Eric A. Trigg as senior vice-president assumes responsibility for head office functions and services concerned with basic raw materials, international metal planning, environment, energy and corporate ventures. Three positions of regional executive vice-president have been created, covering the Americas (North and South America and the Caribbean), Atlantic (Europe, Middle East and Africa) and Pacific regions. Mr David Morton, Mr Patrick J. J. Rich and Mr Archie F. Black have been appointed to these positions respectively.

● STOCK CLEARING CORP. of Philadelphia, a subsidiary of the Philadelphia Stock Exchange, has elected Mr William N. Briggs Jr. e senior vice-president. Mr Briggs has spent the previous 12 years in the Philadelphia office of Price Waterhouse.

INTL. COMPANIES and FINANCE

Thomson in move to reshape offshoot

By Paul Betts in Paris

THOMSON, the French nationalised electronics group, is to restructure its Thomson-Brandt subsidiary and create four separate operating divisions.

The move is designed to decentralise and to rationalise the subsidiary's complex structure and make the performance of the divisions more transparent.

Thomson-Brandt is wholly owned by the Thomson group, unlike Thomson-CSF, the other large subsidiary of the state concern, which is 51 per cent owned by Thomson.

The wholly-owned subsidiary will be divided into a consumer electronics division, a defence division, a cables division and a division grouping Thomsoo's industrial refrigerator products.

The restructuring forms part of Thomsoo's attempt to return into profit by 1985. The group lost FFr 2.2bn ($275.7m) last year and is expected to have another difficult year io 1983 because of the weakoess of the consumer electronics market.

But the reorganisation is also designed to give Thomson greater flexibility in raising funds oo the capital markets when state support is shrinking because of government budgetary restraiot.

Each new division will be in a positioo to try to raise funds independently of the group.

Yamaha revises deficit forecast to Y27.5bn

YAMAHA MOTOR, the big Japanese motorcycle manufacturer, has raised its parent-company recurrent loss forecast for the current business year ending April 30 to Y27.5bn ($113m) from a Y19.6bn deficit predicted in June, Reuter reports from Tokyo. The forecast compares with a recurrent profit of Y215m the preceding year.

The sales forecast was revised downwards to Y346bn from an original Y360bn and compares with Y247.35bn last year, the company said.

Yamaha said the net loss for the year will increase to about Y33bn from an original estimate of Y19.6bn and compares with a net loss of Y10.65bn last year.

It said it planned to set aside about Y10.2bn this year to meet losses expected to arise from its overseas subsidiaries because of a decline in motorcycle sales and accumulated inventories.

This is the maio reason for the sharp rise in net loss this year, it said.

Yamaha said it had revised its motorcycle production target for the year downwards to 1.38m from an original 1.50m and compared with 2.2m produced last year.

The revised total will comprise 560,000 for domestic sales and 820,000 for exports, compared with the original 700,000 and 800,000 respectively, it said.

● Honda of America Manufacturing Inc plans to build a $30m motorcycle engine factory in Ohio, AP-DJ reports from Marysville, Ohio.

Production will begin in early 1985 and will create about 150 jobs with workers on a single shift producing 60,000 engines a year.

The company said it had not decided oo a site, but that the move represeoted expansioo of operations in Ohio for the U.S. unit of the Japanese auto and motorcycle manufacturer.

Honda said the engine production was iotended to co-ordinate with e future increase of its U.S. motorcycle production.

The expansion will bring Honda's investmeot io U.S. productioo facilities to $340m.

Société Le Nickel reduces losses

BY DAVID MARSH IN PARIS

SOCIÉTÉ Le Nickel, the troubled New Caledonian nickel-mining company oow 70 per cent owned by French eoergy holding company Erap, reduced its loss in the first half of 1983 to FFr 166m ($22.15m) from FFr 230m on a comparable basis in the first half of last year.

The company said the losses took account of potential foreign exchange losses arising from currency rates existing at the end of June.

Without taking account of currency risks, but after accounting for provisions and write-offs, the loss at the six-month stage was FFr 122m.

First-half turnover fell to FFr 619m from FFr 747m in the corresponding period last year. This reflected the fall in the world nickel price, which was only partly compensated by the drop in the franc against the dollar.

As part of the capital restructuring announced in May 1983, Le Nickel's three shareholders – Erap, Imotal and Elf Aquitaine – have injected FFr 750m into the company to improve its failing capital structure.

Le Nickel said yesterday that the rescue plan being put into operation had resulted in a "very significant" reduction in stocks and overall expenses.

U.S. group may open in UK

By Our Financial Staff

CUMMINS-ALLISON, a privately owned Illinois company which claims to produce the world's quickest coin sorting machines, bas takeo the first step in a plan that may eventually lead to the establishmeot of a UK assembly plant.

The company, whose products inclode cheque perforators, paper shredders and other office equipment, has opened a direct sales, service and distribution ceotre in Brighton, Sussex. Products have previously beeo sold outside the U.S. only through dealers.

Spearheading the 96-year-old company's first direct move outside the U.S. is its JetSort coin counter. Using microprocessor technology and based on a patented centrifugal principle, it processes 6,000 mixed coins a minute. Prices range from £3,000 to £7,000 ($4,400-$10,300).

The product is aimed at banks, vending machine operators and other sectors regularly handling large numbers of coins. Mr John Jones, chairman and chief executive, said the UK was chosen to exploit the company's breakthrough in coin-sorting technology because of its sophisticated financial sector.

Lloyds' Malaysia deal

BY OUR FINANCIAL STAFF

LLOYDS BANK International has formed a joint leasing venture with Bank Bumiputra, Malaysia's largest commercial bank, to lease all types of plant and equipment to companies in Malaysia and the Asean region.

The bank will have an authorised capital of $100m. It will be 60 per cent owned by Bank Bumiputra, 30 per ceot by LBI and the remaining 10 per cent by a Japanese bank whose identity has yet to be disclosed.

Bank Bumiputra is owned by the Malaysian Government. Dr Nawawi Mat Awin, the chairman, said the new venture was designed to support the Government's efforts to stimulate capital investment.

COMPANY NOTICES

TOKYO SANYO ELECTRIC CO., LTD.

[illegible] GUARANTEED BONDS DUE 1987 WITH WARRANTS TO SUBSCRIBE SHARES OF COMMON STOCK OF THE COMPANY

As required under Clause 4(b) of the Instrument relating to the Warrants dated 22 June 1982, Notice is hereby given that subject to shareholders' approval at a General Meeting of Tokyo Sanyo to be held on October 21, 1983, Sanyo Vending Machine Co. Ltd will merge into Tokyo Sanyo Electric Co. Ltd., effective December 1, 1983 pursuant to a merger agreement signed on July 20, 1983.

Tokyo Sanyo will issue its shares to the shareholders of Sanyo Vending as of the merger date (December 1, 1983) at the rate of 0.75 shares of Tokyo Sanyo for each 1 share of Sanyo Vending. The registration date of the merger will be February 29, 1984 and there will be no adjustment of exercise price for any Warrants issued by Tokyo Sanyo.

TOKYO SANYO ELSCTRIC CO., LTD.
October 7, 1983.

MALAYSIA
US$250,000,000
Floating Rate Notes due 1992

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 6th October, 1983 to 6th April 1984 has been fixed at 10 per cent per annum.

On 6th April, 1984 interest of U.S.$508.33 per U.S.$10,000 nominal amount of the Notes and interest of U.S.$12,708.33 per U.S.$250,000 nominal amount of the Notes will be due against Interest Coupon No. 4.

SWISS BANK CORPORATION INTERNATIONAL LIMITED
Reference Agent

NOTICE OF PURCHASE
EUROPEAN INVESTMSNT BANK

[illegible] UNITED STATES DOLLAR NOTES 1980
DUE ON 15th SEPTEMBER, 1987

NOTICE IS HEREBY GIVEN to Bondholders that Union Bank of Switzerland (Securities) Limited, London, as Purchase Agent for account of such Bank, has purchased during the twelve-month period beginning on 15th September 1982 US$3,000,000 of such Notes.

The principal amount of Notes remaining in circulation on 15th September 1983 was US$91,000,000.

EUROPEAN INVESTMENT BANK

Luxembourg
7th October 1983.

U.S.$60,000,000
SWEDBANK
(Formerly SPARBANKERNAS BANK)
SUBORDINATED FLOATING RATE NOTES DUE 1990

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from October 7 1983 to April 9, 1984 the Notes will carry an interest rate of [illegible] per annum. The interest payable on the relevant interest payment date April 9, 1984 against Coupon No. 3 will be U.S.$255.34

THE CHASE MANHATTAN BANK, N.A., London
Agent Bank

OFFICIAL NOTICE

Please be advised that the following Omaha & Grant Brand Lead London Metal Exchange Warrants have been replaced and should be considered null and void.

348928—567 Ingots—25040 Kilos
348929—567 Ingots—25050 Kilos
348930—567 Ingots—24825 Kilos
348931—567 Ingots—25353 Kilos

C. STEINWEG N.V.,
P.O. Box 1068
Waalhaven [illegible] 20,
Rotterdam 2,
Netherlands

ANNOUNCEMENTS

JAMES HALSTEAD GROUP Plc. shareholders association meeting. Details Write Box G 0173, Financial Times, 10, Cannon Street, London EC4P 4BY.

CONTRACTS & TENDERS

REPUBLIQUE ALGERIENNE
DEMOCRATIQUE ET POPULAIRE
(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

Ministere des Transports et de la Peche
(MINISTRY OF TRANSPORT AND FISHING)

Societe Nationale des Transports
Ferroviaires
(NATIONAL RAIL TRANSPORT COMPANY)

CALL FOR PRESELECTION OF COMPANIES
FOR THE SURVEY OF A RAILWAY LINK

The Société National des Transports Ferroviaires [National Rail Transport Company] (SNTF) is proposing to launch a feasibility study for a railway line linking the North and the extreme South of the country (a distance of 2,000 km).

The companies interested in carrying out this study should send their references, within the 60 days with effect from the date this notice is published, to the following address:

Société Nationale des Transports Ferroviaires (SNTF)
Direction Générale
21, 23 Boulevard Mohamed — V — Algeria

LEGAL NOTICE

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF THE CENDEN CO. LTD.

NOTICE IS HEREBY GIVEN pursuant to Section 299 of the Companies Act 1948 that a General Meeting of the Members of the above Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ on Tuesday 25th October 1983 at 11.45 a.m. to be followed at 12 noon by a General Meeting of the Creditors for the purposes of receiving an account of the Liquidators' Acts and Dealings and of the conduct of the Winding up to date.

Dated this 30th Day of September 1983.

M. PERKINS.
B. MILLS.
Joint Liquidators.

PERSONAL

FOR SALE—Early Collard Grand Piano, £900. Kreutznach Grand, £1,000. Excellent cond. Sandiwau 038684.

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EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 a.m. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

ART GALLERIES

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984 MATTHEW SMITH—PAINTINGS until Oct. 22.

THE CLARENDON GALLERY, 8, Vigo St. 01-439 4557. Jointly with THE PARKIN GALLERY, 11, Motcomb St., SW1. 01-235 8144 "ARTISTS OF THE YELLOW BOOK AND THE CIRCLE OF OSCAR WILDE" 5 Oct.-31 Oct Clarendon Gallery; 5 Oct.-5 Nov. Parkin Gallery.

EXHIBITIONS

THE ELEGANT HARP

Exhibition commissioned for Cornhill Festival of Britain Music compiled by Robert Morley & Co. and John Marson at

THE VISITOR'S GALLERY
THE STOCK EXCHANGE
3-7 OCTOBER, 9 am - 3 pm
Tel: 01-588 8151

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UK COMPANY NEWS

Mitchell Cotts profit falls £2.4m

THE RATE of declining profits at Mitchell Cotts has slowed down, and in the second half the fall was £712,000. This results in a profit of £7.38m for the year ended June 30 1983, compared with £9.74m previously.

The dividend of this international engineering, transportation and trading group is being held at 3.62p net per share. The final recommendation is an unchanged 2.12p. Earnings are shown at 4.49p, against 4.4p.

The reduced profit arises mainly from the difficult first half, says the chairman Mr P. P. Dunkley. The profits were declining in certain of the overseas territories and the worldwide recession was affecting activities, particularly those which are closely related to the depressed mining and contracting industries.

In the second half, despite continuing disappointments in South Africa and Australia, in consolidated terms there was a return "to almost normal levels."

Mr Dunkley says the improvements come from Europe where, very much helped by UK profits up from £4.2m to £5.9m, the year's profit accounted for 62 per cent (32 per cent) of the group total. The contribution from South Africa fell from £8.34m to £3.53m while in the Americas and Australasia there were losses of £804,000, against profits of £435,000.

"We are confident that even when overseas profits recover, it will be seen that important changes have now taken place in the balance of Mitchell Cotts and that we are well on the way to achieving our declared profit target of £9m from our UK operations," the chairman tells members.

In terms of activity it is the engineering side which has been under pressure, says the chairman, and its profits fell from £11.25m to £7.05m. In the main this is a reflection of the low state of activity in South Africa and Australia.

The decision to invest in the acquisition of the Howard Humphreys Group has proved to be fully justified. This company achieved profits "well in excess" of those anticipated at the time of the purchase last year.

The tax charge has reduced as a proportion of profit from 60 per cent to 56 per cent, mainly because of the improvement in the UK where only ACT is payable.

Reduction in minorities follows the absorption of the outstanding minority in the South African subsidiary which took place on January 1 1982.

On prospects, the chairman says it seems certain that the group is faced with a continuing low level of economic activity in South Africa and Australia, and it would be unrealistic to assume that the Belgian company could continue to withstand the pressures on the construction industry there.

	1982-83 £000	1981-82 £000
Turnover	405,319	387,625
Engineering	195,806	200,167
Transportation	178,684	160,098
Trading	30,829	27,360
Europe	103,904	106,757
South Africa	236,592	211,651
E. & C. Africa	31,821	32,648
Americas, Australasia	33,002	36,559
Profits	*12,867	15,681
Engineering	7,061	11,251
Transportation	4,142	4,189
Trading	1,674	241
Europe	7,900	4,980
South Africa	3,528	8,336
E. & C. Africa	2,243	1,910
Americas, Australasia	†804	‡435
Corporate expenses	297	596
Interest paid, net	5,193	5,329
Profit before tax	7,377	9,738
Taxation	4,108	5,890
Minorities	13	914
Extraordinary debits	§1,999	‡717
Attributable	1,257	3,649
Dividends	2,634	2,987
Retained loss	1,377	‡662

* Included foreign exchange gain £1.03m on dividend remitted from South African subsidiary. † Loss. ‡ Profit. § Realised losses on exchange £4,000 (£43,000); net losses £1.08m (profits £2.43m) on disposal of assets and investments; reorganisation costs and termination of unprofitable activities £917,000 (£1.67m).

On the other hand, he is confident that the UK activities will continue to grow and profits from the African tea estates, which have made a "useful contribution" this year, appear to be buoyant.

"All in all, I would certainly hope results for the year to June 30 1984 will show some improvement," Mr Dunkley states.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Austin Reed ...int	1.5	Dec 1	1	—	4.5
Benlox ...int	0.5	Nov 25	Nil	—	0.5
Bronx Engnrs ...int	0.25	Nov 25	0.25	—	1.04
Bruntons ...int	4.25	Oct 31	4.25	—	10.5
Hewden-Stuart ...int	0.48	—	0.48	—	1.28
Holt Lloyd ...int	1.5	March 2	1.5	—	3.17
Jersey Electricity ...int	4	—	4	—	15
Johnston Group ...int	2	Jan 5	2	—	6
Mitchell Cotts ...	2.12	Jan 9	2.12	3.62	3.62
Ruberoid ...int	2	Nov. 22	1.6	—	5.6
Charles Sharpe ...	27.88	—	4.12	32	8.24
Silkolene Lubricants int	2.5	—	2	—	7
Spear and Jackson ...int	1.75	Jan 5	1	—	1
Utd Guarantee ...int	0.25	—	0.25	—	0.75§

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 15 months.

F. & C. Enterprise raising another £10.9m

BY ALISON HOGAN

THE BOARD of F. & C. Enterprise Trust the investment trust which specialises in unquoted companies is to raise a further £10.9m from shareholders by issuing for cash 35.6m new shares of 10p for 31p per share.

Morgan Grenfell has underwritten the issue and Laing and Cruikshank are acting as brokers.

Institutional shareholders including Sava and Prosper and Standard Life account for about 80 per cent of the total share capital. The F. and C. Enterprise Board have received assurances that certain holders will take up their rights in respect of 67 per cent of the issue.

F. and C. Enterprise Trust originally raised £10m in the Autumn of 1981 which has now been fully invested mainly in unquoted or restricted companies with a total value of £16m.

"We felt there were further opportunities to invest in the existing portfolio and other new projects and were faced with the decision whether to establish a different fund or to ask existing investors interested in staying with us to buy more shares. We chose the latter course," said James Nelson of F. and C. Enterprise.

The issue has been priced marginally below the net asset value of 31.6p with the sweetener of a warrant for every 10 shares taken up. The net asset value has risen to 31.6p at September 30, 1983 from 23.6p at December 31 1982 and 18.5p at December 31 1981.

The company values its investments conservatively only recognising any appreciation in value at the time of a quotation. Thus Logica, the software company due to come to the market soon, is valued at £350,000 in F & C's books. Other investments which have already come to the USM include Godwin Warren and Granger Trust.

F & C Enterprise concentrates on technology stocks, though not exclusively so. One of its latest unquoted holdings, for example, is in the advertising and public relations services company Charles Barker Group.

F & C Enterprises holds 36.3 per cent of its UK portfolio in the UK and a further 52.2 per cent in the U.S. Among U.S. holdings is a stake in the VLI Corporation soon to seek a quotation which has developed and markets the first female contraceptive which can be bought over the counter.

The offer is on the basis of 10 new ordinary shares with one Series B Warrant attached at 31p per share — a "Combined Unit" for every 15 existing ordinary shares held and/or for every 15 existing Warrants held. The Combined units will be offered for subscription at 310p each, being equivalent to 10 times the net asset value to the nearest penny of an existing ordinary share at September 30 1983.

An extraordinary general meeting will be held on Monday October 31 to gain shareholders approval for an increase in the authorised capital of the company to allow the directors to allot the securities.

An interim dividend in lieu of final of 0.09p net per ordinary shares has been declared and will be paid on February 3 1984 to shareholders on the register at the close of business on December 9 1983. The new shares will not rank for this dividend. The dividend has been declared earlier than normal in order to facilitate the issue.

Montague Boston

The directors of Montague Boston have received an approach which may or may not lead to an offer being made for the company's share capital. Shareholders are advised to take no action until advised by the directors.

Spear & Jackson returns to profit

CONFIDENCE expressed at the year end at Spear & Jackson International that the group was on the road to recovery has been borne out by the results for the 26 weeks to July 2 1983. For that period the group returned to pre-tax profits of £387,000 against losses of £845,000 last time.

A reduced cost structure and strong balance sheet give a sound base from which the first half recovery can be continued say the directors.

The net interim dividend has been lifted from 1p to 1.75p. The final payment last year was passed when pre-tax losses totalled £1.75m (£384,000 profit).

Earnings per 25p share for the six months are shown as 4p (losses 15.7p) before extraordinary debits.

At the end of the last year the directors said that there were signs of increased activity both in the UK and the U.S. and the group was in a better position to take advantage of any upturn in trade. They said there had been an encouraging start to the current year.

First half turnover of this maker of steels, saws and hand tools, rose from £15.88m to £16.55m.

Cost-cutting continued in the first half and profits are after charging a further £239,000 in redundancy and severance costs. Borrowings have been reduced from £2.8m at the year-end to £2.1m at end of June, which lowers gearing from 30 per cent to 22 per cent.

The UK industrial cutting tools company, which was a major problem in 1982 has further reduced overheads, as well as improving productivity and market penetration, with the result that it returned to break-even in the second quarter.

After a slow start, UK hand and garden tools finished the half year strongly, with profits significantly higher than 1982.

The U.S. and Canadian companies have both enjoyed improved trading conditions. They are achieving both improved volume and margins, and although the effect of these had not come through to profits fully in the first half, the immediate prospects for these companies are promising.

The French industrial cutting tools company suffered weak demand in both domestic and export markets which, coupled with expensive delays in obtaining government permission to implement redundancies, planned in 1982, left the company just breaking even.

As yet there is no discernible improvement in order levels.

Pre-tax profits were struck after interest costs of £236,000 (£264,000). There was a charge of £144,000 for tax, compared with previous credits of £45,000. After minorities of £27,000 (£23,000) the attributable level emerged with a balance of £216,000 against a deficit of £1.01m previously, which was after extraordinary debits of £178,000.

● comment

If there is a bidder hovering over Spear & Jackson why is he holding back? The shares have already more than doubled from the year's low to 116p and more importantly, the business is beginning to perform again. There have been false starts before but this time a combination of lower overheads, better demand and product innovation has definitely got profits recovering. The pre-tax line might even reach £1¼m this year. Whichever way performance is judged all the basic operating ratios are heading the right way. Only France remains difficult though it too can be pulled round now that the expensive process of redundancies has been given an official green light. In the States an upturn in housing starts is clearly going to be of great help though it is perhaps outside traditional activities where the most interest lies. It is importing Swedish lawnmowers under its own name and next year it will market a mechanical spade. More significant is the move into fertiliser under a 10 year licence agreement with a U.S. manufacturer.

In a few years fertilisers will have come from nowhere to be the largest single division. The company has plenty of ammunition on board should it need to defend itself though perhaps it will be a good price rather than independence that will be the final virtue.

Holt Lloyd's recovery doubles midway profit

THE FORECAST of considerably higher profits for Holt Lloyd International is now being borne out. For the 28 weeks ended September 10 1983 they have recovered and doubled to £2.18m, and this good progress is expected to be maintained in the rest of the year.

Mr Tom Heywood, chairman of the group whose main activity is the manufacture of car care products, says the profit increase has been achieved on turnover that only showed a 7 per cent rise to £28.7m.

Reorganisation of the UK operations is having the planned effect. There has so far been little or no pick-up in consumer demand in the home market, but sales have been maintained despite the elimination of a significant element of unprofitable turnover. And measures to bring operating costs into line with recent levels of demand have led to a considerable improvement in profits in this section.

Overseas operations, with a 12 per cent sales growth, have achieved their budgets, and in general are trading "well ahead" of last year's levels.

For the 28 weeks the sales were split as to UK automotive £10.36m (£10.18m), overseas and export £16.68m (£14.94m), and food £1.66m (£1.77m). After tax of £870,000 (£762,000), minorities of £115,000 (£99,000), and an extraordinary debit of £24,000 last time, there is a net attributable profit of £1.19m (£192,000). Earnings are shown at 3.3p (0.6p) per share.

The interim dividend is held at 1.5p. In the year ended February 26 1983 profit before tax was £2.87m and the dividend total 3.17p.

● comment

Doubled pre-tax profits at Holt Lloyd were hardly a surprise since last year was its worst ever. UK markets were shrinking and unprofitable capacity had to be abandoned, involving a 30 per cent reduction in the workforce. The out-turn for the first six months is already ahead of profits for the whole of 1982, but the shares only ended up 2p at 59p. Despite the loss of capacity, Holt has increased UK turnover marginally. Prices were kept intact, in keeping with the group's long-standing aversion to discounting, but Holt has managed an increase in market share thanks to a heavy advertising campaign. Domestic trading conditions remain as flat as ever, so any improvement in the current half must come from overseas, where nearly 60 per cent of sales are generated, double the level of five years ago. If the present progress is maintained, Holt should make around £4m pre-tax for the year. That gives the shares a prospective yield of 7.9 per cent on a maintained final dividend and an earnings multiple of 9.9, assuming a 40 per cent tax charge.

Austin Reed tops £1m midway and pays more

PRE-TAX PROFITS of Austin Reed Group, clothing manufacturer and retailer, advanced 35 per cent from £830,000 to £1.12m in the 28 weeks to August 13 1983 and the net interim dividend is being lifted from 1p to 1.5p.

For last year the total payment was 4.5p from profits of £3.31m.

Turnover for the opening period, now reported, increased 14.5 per cent from £22.59m to £25.86m, with UK retail up from £15.35m to £17.44m, overseas from £1.84m to £1.93m and sales to trade customers ahead from £5.4m to £6.49m.

Tax took £420,000 (£270,000) for earnings of 3.9p (3.1p) per 25p share, while the attributable balance came through at £691,000 (£550,000) and dividends absorbed £264,000 (£176,00).

Mr Barry Reed, chairman, reports that notwithstanding a large rise in advertising expenditure and longer term development costs, the retail division produced sufficient additional volume to achieve a good result.

Trade remained buoyant until mid-July when the summer became less than conducive to shopping for tailored clothing.

The Canterbury branch has made an "excellent start," he says, and the two new Cue Shops in Milton Keynes and Peterborough opened on schedule. However, the major emphasis continues to be on the development of Options, the group's women's collection, now in 21 outlets and targeted to be in 37 by autumn 1984. By then, the company will have phased out and replaced the turnover from its original Country Casuals concessions.

The 20 per cent sales increase in the manufacturing division was due largely to significant gains in shirt and countrywear volume and the profitability of these subsidiaries, as well as Honorbilt, is responding to last year's reorganisation.

As regards the remainder of the year Mr Reed says after a slow start in early September, retail trade has picked up with the more seasonal weather.

Lower profits warning from Bruntons

The directors of steel wire manufacturer Bruntons (Musselburgh) warn of a downturn in the second six months and lower profits for the full 1983 year.

Pre-tax profits for the first half were virtually unchanged at £804,000 (£802,000) and the net interim dividend is held at 4.25p per 25p share.

Turnover slipped from £5.75m to £5.56m and with overcapacity in the wire, wire rope and steel strip sectors in the UK, a continuing substantial volume of low-priced imports and a reduction in demand from both home and export markets a further fall will result in the second half.

The directors say as a consequence of this, and the fact that there will be no gain on the sale of British Funds over the period, profits for the year will be lower than the £1.51m pre-tax reported for 1982.

Benlox improves

Re-organisation within the group, together with the introduction of new products, contributed to improved profits at Benlox Holdings, the industrial holding company. Figures show pre-tax profits up from £54,000 to £104,000 in the first six months of 1983. Interest charges were £1,000 this time. Turnover rose from £2.2m to £3.96m.

An interim dividend of 0.5p is being paid—only one payment was made last year, a final of 0.5p. Tax was £11,000 against £13,000 and minorities were unchanged at £3,000. Stated earnings per 10p share improved from 0.81p to 1.11p.

The directors say that while the improvement in profits was satisfactory, results were affected by adverse weather conditions during the period and the fact that several large contracts will not have been completed until later this year.

They are confident that results for the second half will show a substantial improvement over those for the first six months and intend to recommend a final dividend at least equivalent to that paid last year.

هكذا من الأصل

UK COMPANY NEWS

Ruberoid leaps 41% to £1.85m

Ruberoid, building products, specialist contracting, resin, paper and plastics group, raised pre-tax profits to £1.85m for the first six months of 1983, a 41 per cent improvement over the £1.31m reported for the same period last year.

However, for the purpose of comparison Mr Thomas Kenny, group chairman, says allowance must be made for the profit of Antwerps Teer and Asphaltbedrijf NV (ATAB), purchased at the end of 1982 for £2.82m.

Mr Kenny says that on that basis the improvement in pre-tax profit was 25 per cent. He goes on to say, none the less, that he expects group profits for the full year to exceed the £4.17m pre-tax achieved in 1982.

Meanwhile, with net earnings up from 5.94p to 7.39p per 25p share the net interim dividend is being raised again, this time by 25 per cent to 2p—a final of 4p was paid previously.

Group turnover for the opening six months rose by 52 per cent, from £28.02m to £42.7m, including a £11.5m contribution from ATAB.

Mr Kenny says all companies in the group earned profits. He adds that the profit contribution from Catalim was pleasing as when it was acquired in 1981 it was in a serious loss condition.

Camrex was acquired in June this year and its results are not included in the half-way figures. Mr Kenny says there is a lot of "resuscitation" work to be done at Camrex to convert it to Ruberoid's standard of management and profitability.

Camrex is concerned with the manufacture and sale of marine, industrial and special coatings world-wide. It also undertakes specialised contracting relating to industrial and commercial maintenance, corrosion control and other activities.

Tax for the first half accounted for £830,000, compared with £609,000, to leave available profits £198,000 ahead at £899,000 from which dividend payments will absorb £286,000 (£191,000).

Civil engineering reduces Johnston Group to £1.8m

A REDUCTION in pre-tax profits from £2.29m to £1.83m has been shown by Johnston Group for the first half of 1983, and the directors say that profits for the year are unlikely to quite match the £6.27m made in 1982.

Turnover rose from £24.59m to £25.24m.

The directors of this construction and mechanical engineer say they remain confident of long-term prospects. Having held the interim dividend at 2p they also intend to repeat the final at 4p. For the six months, earnings per 10p share are shown as down from 10.51p to 9.14p.

At the end of the last full year the directors said that to an extent opportunities existed for further success—in 1982 pre-tax profits rose by 21.3 per cent. However, they pointed out that in certain key areas order books were below desired levels.

The profit level for the period remained good say the directors although a slow start in civil engineering and civil engineering supplies meant group profit did not match that earned in the corresponding period.

Engineering performed well with sales of municipal vehicles exceeding budget. Order levels remain adequate and the change in emphasis in the product range of the hydraulics company is beginning to have some effect.

Civil engineering and more particularly road maintenance were adversely affected by the wet spring. Conditions remain competitive but while the contract to build a holiday village for Club Mediterranee will not significantly influence the 1983 results there will be gains from final accounting in respect of other contracts.

In civil engineering supplies roadstone quarries performed well but Armaflo pipe manufacture suffered from the lack of export activity. Orders on the books will go some way to offset this in the second half.

At the trading level group profits slipped from £1.91m to £1.4m to which were added associate profits of £431,000 (£387,000).

Tax amounted to £868,000 (£1.19m).

Silkolene recovering to higher profits

A PICK-UP in the second quarter has helped Silkolene Lubricants to a profit of £564,000 for the 26 weeks ended July 2, 1983, although this is £119,000 short of the corresponding period last year.

However, improvements experienced from April have continued with turnover running at a record level, and the directors are confident that for the full year they will be reporting profits in excess of the £1.15m attained in 1982. They are lifting the interim dividend from 2p to 2.5p net.

The directors explain that the reduced level of profits made in the second half of 1982—they were down from £643,000 to £471,000—continued into the first quarter of this year. However, in April there was a "distinct increase" in certain of the business activities which, combined with the better operation of the used oil refining facility, lifted profitability.

The recently developed five-year plan for the group contains several possibilities of investment in both established and new technologies, the directors state.

Better trend continues at Unigroup

Unigroup, formerly U. U. Textiles, turned round from a loss of £66,000 to a profit of £53,000 in the year to July 2 1983 and the directors say they are confident progress will continue.

At midterm the swing was from losses of £28,000 to profits of £18,000 and the directors said then they were cautiously optimistic as to prospects.

They now report that following last September's rights issue, May's share placing, the disposal of Leisurewear International and the purchase of Staplefree Fastenings, a lot of "tidying-up" has been done and the balance sheet is much stronger.

Sales for the 12 months under review improved from £4.08m to £4.26m. Tax took £1,000 (same) leaving earnings per 25p share of 1.3p (3.04p loss). There is again no dividend.

Below the line minority losses amounted to £4,000 (£3,000 profits) and there were extraordinary debits of £22,000 (£48,000).

The company manufactures ladies' and children's wear.

A reconstruction to enable the company to pay dividends out of current earnings was deferred last year because of the rights issue and placing. It will now take place as soon as practicable.

TR Pacific

Net asset value of the TR Pacific Basin Investment Trust rose by 79p to 216p per 25p share for the six months to July 31 1983. The company says that with economic conditions worldwide now showing signs of recovery, the outlook for most markets remains positive even in the context of recent strength.

Gross income for the first half declined from £1.6m to £1.28m. Administration expenses accounted for £225,000 (£156,000), debenture interest £56,000 (same) and dollar loan interest £195,000 (£131,000).

Pre-tax revenue emerged at £801,000 (£1.26m) and earnings per 25p share at 1.15p (2.43p) after tax of £392,000 (£413,000). An interim dividend of 1p net is declared—last year 1.75p was paid including a 0.75p special.

Hewden-Stuart midway growth

A £1M jump to pre-tax profits of £2.22m by Hewden-Stuart Plant for the six months to July 31, 1983 reflects greater operating efficiency, selective capital expenditure and a marginal improvement in industrial activity.

However, the directors point out that the pattern of recent years is expected to be repeated, with the second half of the year contributing substantially lower profits than the first. Last time the period gave £215,000.

Turnover of this plant hirer and seller rose from £46m to £50m in the six months under review, while trading profits were up from £6.98m to £9.97m. The taxable surplus was after depreciation of £4.5m (£4.49m), interest of £1.1m (£1.2m) and minorities of £107,000 (£70,000).

Tax was unchanged at £179,000, earnings per 10p share advanced from 1.38p to 2.53p. There is a same again interim dividend of 0.475p net. Last year a total 1.275p was paid.

As to the future the directors say market conditions continue to be extremely difficult and pricing levels are still severely constrained by a surplus of plant in the market.

The coming winter months remain an uncertain prospect and will again be affected by the extended Christmas holiday period, which virtually closes the construction industry for a fortnight or more.

Together with normal seasonal factors, the remainder of the year offers little prospect of achieving the upward price movement so urgently needed in certain fields, they add.

However, they take a confident view in the knowledge that the surplus of plant across the country will continue to shrink, and the group's operational and financial strength will permit full and swift advantage to be taken of the opportunities which will undoubtedly arise.

In August the company reduced its shareholding in Murray Pipework to 49 per cent and has given certain options to the new partners under which they have the right to acquire that company's entire shareholding.

Profits now reported are stated after making full provision for the losses that would arise to the group should this offer be exercised in the next few months.

● comment

As with any plant hire company a marginal upturn in utilisation can have a tremendous impact on profits. This goes part of the way to explaining how an 6 per cent increase in turnover at Hewden-Stuart over the comparable period last year resulted in an 80 per cent increase in pre-tax profits. The company has also done a lot to rationalise its operations and cut costs in the past few years. But even a forecast of £3.7m pre-tax for the full year—the second half usually being weaker for seasonal reasons—is still well below the £9.1m peak of 1980. The latter is the sort of level of profitability Hewden has to make given its current capital replacement requirements. The company is still looking and hoping for a real upturn on the heavy civil construction side. All the divisions have improved—particularly the earth moving side. Hire rates are marginally up, though on the merchandising side Hewden is suffering a squeeze on margins from both suppliers of small machinery and from customers. Yesterday the shares closed 1p up at 35p. If the dividend is maintained at the full year the shares will be yielding just over 5 per cent.

Redundancy costs hit Bronx at midway stage

ALTHOUGH pre-tax profits of Bronx Engineering Holdings fell from £233,000 to £109,000 for the half year to May 31, 1983 they were struck after taking account of severance and redundancy payments amounting to £245,627.

The directors say that had it not been for these payments the pre-tax results would have shown a 52 per cent improvement over the opening half of the previous year.

The decrease in the number of employees (27 per cent) has reduced the group's total annual operating costs by £760,000. It is pointed out that this was necessary in view of limited market opportunities at present available to the group which will be demonstrated by lower turnover in the second half of a little over £4m (first half turnover totalled £8.27m against £6m.).

Operating costs have been reduced considerably but the directors warn that with turnover for the second six months being only two-thirds of that in the first half, their budget for the latter half is to achieve a break-even result.

However, every effort is being made to improve on this and to obtain a small profit to augment the interim result.

The interim dividend is being held at 0.25p net per 10p share. The rate of the final will depend on the outlook for next year when the order book situation becomes clearer—a final of 0.79p was paid for 1981-82.

The directors make no forecast beyond the current year but say there are a number of potential orders which, if placed in the next few months, would allow the group to begin next year with "reasonable confidence."

Apart from the press division, there is very little activity for any of the group's other products in the home market.

Although demand from overseas markets is lower than it was 16 months ago a number of interesting projects are being pursued. At the same time the group is continuing to develop and improve its product range to enhance its competitive position.

First-half earnings fell by 1p to 1.76p. There was a same-again tax charge of £13,000.

RESULTS AND ACCOUNTS IN BRIEF

ASSOCIATED DAIRIES GROUP—Results for the year to April 30 1983 reported September 1. Group shareholders' funds £239.4m (£200.99m). Fixed assets £254.03m (£217.9m). Current assets £218.67m (£169.09m), including cash at bank and in hand £12.64m (£2.9m). Net current assets £10.91m (£16.25m). Increase in working capital £5.09m (£1.62m). Meeting, Leeds, October 26, 2.30 pm.

NOLTON (property development and investment)—Results for the year to April 30 1983 reported August 15. Fixed assets £1.18m (£0.91m): net current assets £0.89m (£0.99m): shareholders' funds £1.84m (£1.69m): reduction in working capital £0.16m (£0.15m). Meeting: Ascot, October 21, 11.30 am.

EQUIPU—At the AGM Mr Philip Bradshaw, chairman, said sales and trading profits for the first three months showed an increase on the previous year and this trend had continued through August. The company intended to continue its expansion by way of new branch openings or acquisitions. He expected results to improve this year.

INDUSTRIAL PRECISION CASTINGS—Results for the year to April 30 1983 already known. Group shareholders' funds £858,206 (£937,807). Fixed assets £910,042 (£857,005). Net current assets £14,117 (£6,752). Decrease in bank and cash balances £19,973 (£461,056): increase in bank overdraft £591,706 (£242,762 decrease). Meeting: Chatham, October 3, 11.30 am.

AMALGAMATED DISTILLED PRODUCTS (Distillers)—Results for year to March 31 1983 reported August 15. Fixed assets £15.4m (£5.79m): net current assets £27.67m (£5.99m): shareholders' funds £25.58m (£11.24m): total operating funds absorbed £19.96m (£2.61m). Meeting, Savoy Hotel, Strand, WC, on October 7, at noon.

F. S. RATCLIFFE INDUSTRIES (precision spring manufacturer and painting contractor)—Results for the year to April 30 1983. Trading profit £71,306 (£44,279 loss): pre-tax losses £56,508 (£190,103): tax credit £81 (£35,204): extraordinary credits nil (£3,202).

STONE INTERNATIONAL (electricals group formed when management bought out electrical division of Stone Platt Industries from the receiver)—Results for year to May 31 1983 already known. Shareholders funds £8.37m: fixed assets £5.64m: net current assets £18.21m: assets employed £14.36m: unsecured subordinated loan stock £4.5m increase in net liquid assets £9.39m. Chairman says group has largely overcome problems identified in first year of operation, financial position is sound and directors confident in future.

FLEET HOLDINGS (newspapers and magazines)—Results for year to June 30 1983, reported September 14. Group shareholders' funds £47.11m (£37.29m). Fixed assets £53.6m (£48.34m). Net current assets £11.11m (£7.01m). Bank loans and overdrafts nil (£3.79m). Net liquid funds decreased £1.28m (£3.31m increase). Capital commitments £5.18m (£2.38m). Chairman says the group looks forward to a period of enhanced activity and progress. Meeting, London International Press Centre, EC, October 20, noon.

STANDARD TRUST—Investment income for six months to June 30 1983 totalled £1.75m (£1.8m). Revenue before tax £1.69m (£1.72m). Tax £435,000 (£711,000).

UK COMPANY NEWS

Charles Sharpe recovers to £0.5m

IN SPITE OF poor weather earlier in the year at Charles Sharpe & Co., seed grower and merchant, turnover and profits increased for the year to the end of Jung 1983. Pre-tax profits recovered from £44,240 to £548,163 and turnover moved ahead from £12.21m to £16.45m.

The results compare with profits of £1m in 1977.

The net final dividend has been more than restored to 27.88p (23.38p was paid for 1980/81) which lifts the total to 32p compared with 8.24p per £1 share. A three-for-one scrip issue is also proposed.

The increase in turnover and profit took place despite poor weather in April, May and June, which resulted in reduction, and even ebandonment, of sowings. As a consequence demand for seeds was reduced, and prices were less firm than earlier in the season.

There heve been further substantial developments in overseas markets, which increased sales and offset the effect of the weather on UK trading.

Pre-tax profits included interest payments of £314,440 (£311,566). Tax came to £11,570 (credil £59,130).

K. O. Boardman

Loanpure on behalf of Mr B. Tomlinson, Mr J. A. M. Humphreys and Mr E. Landau has acquired 5.5m (25.8 per cent) shares in KO Boardman International from Wrengate.

A further 880,000 shares, representing the halance of Wrengate's holding, are being placed with clients of Montague Loebl Stanley and Co.

To enable these transactions to be reflected in the Boardman accounts for the year ended March 31 1983 the agm has been postponed to October 31.

Mr G. S. Ruia and Mr N. Musry have resigned from the Boardman hoard and Mr J. A. M. Humphreys and Mr E. Landau have been appointed. Mr B. Tomlinson has been appointed chairman.

BIDS AND DEALS

Albright disposes of its agricultural side to ICI

BY DAVID DODWELL

Albright and Wilson, the chemicals group bought by Tenneco of the U.S. in 1978, has sold its agricultural division to Imperial Chemical Industries for about £20m.

The deal, which has attracted speculation since July, comes as the final major step in a divestment programme which has over the past two years realised about £70m.

It consolidates ICI's position as Britain's leading fertiliser producer. ICI currently controls almost half of the UK's £1bn fertiliser market.

Albright and Wilson is at the same time closing its triaryl phosphates business et Rainham in Essex, with the loss of about 55 jobs. Ciba-Geigy Plastics and Additives, e subsidiary of the Swiss chemicals giant, has bought the trade names, godwill and technological know-how linked to the plant, for an undisclosed sum.

Mr Devid Livingstone, Albright and Wilson's deputy chairman and managing director, said yesterday thet the disposals would enable the company to concentrate capital investment on its core businesses — phosphorus chemicals, detergents and toiletries, and paper chemicals.

It is also understood that the company felt at a disadvantage to competitors abl̲e to draw on captive ammonia production.

A large part of this year's capital spending programme, worth about £30m, has already been spent at its three core plants in Whitehaven, Widnes and Oldbury near Birmingham. A further £30m is allocated for capital spending next year.

In the wake of the disposal and investment programme, which has cut the workforce by over 2,500 to 3,540 over the past three years, most recent profits figures indicate a strong upturn. In the six months to June 27 this year, Albright and Wilson earned £14.8m before tax, compared with £6.7m in the first half of 1982. Turnover in the same period grew to £272m from £258m.

A spokesman for ICI said yesterday that the deal would help to protect the company's strong market position in the face of severe competition particularly from overseas.

The fertiliser operations of Albright and Wilson will be formed into a new subsidiary, to be called BritAg Ltd, while its agro-chemicals business will become part of a separate ICI subsidiary, Farm Protection Ltd.

Closure of Albright and Wilson's Rainham plant, which had a capacity of 20,000 tonnes, will bring some relief to competitors in a sector plagued with overcapacity. It is understood thet Rainham was working at less than 50 per cent capacity. After some years of loss, it has for the past six months been earning a smell return on capital.

Ciba-Geigy, Albright and Wilson's main UK competitor in the manufacture of triaryl phosphates with a 40,000-tonne capacity plant in Manchester, said yesterday that it would hope to pick up a reasonable share of the business which in the past went to Rainham.

A spokesman revealed that this plant had also been running et harely more than 50 per cent capacity in the recent past, and that the division of which it is part had been in loss for some time. The workforce at the plant has been trimmed from 1,200 to 600 over the past four years, with a further 80 joh losses being negotiated hy the early part of next year.

● Croda International, the chemicals processing group which three days ago sold its subsidiary Synthetic Chemicals to Shell Petroleum in a deal worth £14.5m, has disposed of its 13.9 per cent stake in Yorkshire Chemicals for £1.55m.

Inn Leisure plans £1½m pub expansion

Inn Leisure, the pub and wine bar operator which joined the Unlisted Securities Market last December is planning to raise £1½m by a rights issue of 5.28m shares at 30p each.

The shares are on offer on the basis of one-for-four. In the market the price rose 1p to 38p.

None of the founders who hold 90 per cent of the equity will be taking up their entitlement. Energy Finance and General Trust and hrokers Heseltine, Moss will arrange a placing of those shares and underwrite the rest of the offer. Following the rights issue the amount of capital free of the founders will rise to over a quarter.

Along with the cash call comes an estimate that Inn Leisure made pre-tax profits of £515,000 for the year to September 30 1983 having achieved £282,000 at the interim stage. For the last full year prior to joining the USM the company made £442,000. The directors intend to pay a dividend of 0.6p per share.

The company is raising the cash to fund further development of its pub operations. At present it has 20 outlets operating and the directors intend to continue an investment programme "to the maximum extent permitted by cash-flow and gearing." At present borrowings are around £2m, equal to capital gearing of close to 50 per cent.

The rights issue is subject to shareholders approval at a meeting called for October 28.

BOARD MEETINGS

The followine companies have notified dates of board meetinga to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Barclays, Campari International, Debenhams, Downiebrae, Eucalyptus Pulp Mills, Fisherman's Petroleum, Arthur Henriques, London and Manchester, Lyle Shipping, F. Miller (Textiles), North British Canadian Investment, Turrie, C. & W. Walker.

Finals—Courtney Pope, Insurance Corporation of Ireland, Sanderson Murray and Elder.

FUTURE DATES

Interims:—	
Altifund	Oct 11
Alva Investment Trust	Oct 10
Cass Group	Oct 12
Electronic Machine	Oct 11
Energy Services and Electronics	Oct 11
Folkes (John) Hefo	Oct 19
Foster Brothers Clothing	†Oct 26
General Scottish Trust	Oct 20
Hartwells	Nov 8
James (Maurice) Industries	Oct 13
Photax (London)	Oct 14
Scottish Mortgage and Trust	Oct 20
Sun Life Assurance Society	Oct 19
VW	Oct 11
Walker (J. O.)	Oct 12
Young and Co's Brewery	Nov 15
Finals:—	
Anvil Petroleum	Oct 11
Burgess Products	Oct 28
Thorpe (F. W.)	Oct 13
Wemyss Investment Trust	Nov 3

† Amended.

Albert Fisher £1.4m purchase

Albert Fisher Group, the Blackpool-based fruit and vegetable merchant, is to pey up to £1.4m for F. J. Need (Crewe), e privately-owned cheese trading and packing company.

Fisher will pay £600,000 initially with a further £800,000 to follow depeding on the company's profits performance. Need bad net tangible assets of £783,000 at June 30 1983 and made an euditaed pre-tax profit of £185,000 on turnover of £9.31m in the year to that date.

The initial payment will be satisfied by the issue of 1.34m new shares by Fisber. Arrangements have been made for the vendors to sell 1.23m shares in the market at about 45p apiece to raise £550,000 net.

Fisher expects to announce e pre-tax profit of £327,000 on turnover of £15.1m in the year ended August 25 1983 compared with a loss of £29,000 on turnover of £6.7m previously.

It expanded its leasing business during the year spending £200,000 on the acquisition of equipment for leasing to third parties.

The first £400,000 of the deferred payment for Need will be calculated on the basis of £5 for every £1 by which audited pre-tax profits of Need for the 14 months ending August 30 1984 exceeded £210,000.

The first £140,000 of this will be paid in cash with the balance by the issue of np to 433,333 shares et 60p each.

The second £400,000 will be paid on the basis of £5 for every £1 by which profits exceed £280,000 in the year ending August 29 1985. This will be met by the issue to the vendors of up to 500,000 new shares et 80p e share.

Mr F. J. Need and Mr K. M. Behhington, the majority shareholders of Need, will become joint managing directors of Need.

Mr Tony Millar, chairman of Fisher, said the Need purchase was part of the company's plan to expand by acquisition, and further purchases in the food, distribution and allied industries were being actively considered.

In March Fisher agreed to pay up to £1.05m for Wentworth Import and Export, a fruit trading company.

Bromsgrove Casting

Mr Jim Martin, a former director of Bromsgrove Casting and Machining, West-Midlands manufecturer and supplier to BL, bas agreed to sell his stake in the company to the chairman and the wife of another board member in an out of court settlement which will resolve a four-year legal battle.

The sale strengthens the shareholding of board members at e time when J. F. Nash and Partners, a subsidiary of Nash Industries, has built up a 14.97 per cent stake in the company and is thought to be showing takeover interest.

An action against Mr Martin was started hy chairman Mr Jack Ormerod, and the wife of Mr Harold Kimberley, the company's joint managing director, shortly after he left the board in 1979.

None of the Individuals involved in the action were available yesterday to comment on the ection, or the reason for an out of court settlement.

Mr Martin's shareholding, which amounts to just under 10 per cent, has been the subject of an injunction since that time. Following his agreement to sell his stake, the shareholdings of Mr Ormerod and Mr Kimberley rise to 25.32 per cent and 21.79 per cent respectively.

Aidcom Intl.

Aidcom International has confirmed that a subsidiary of Allied International Designers is currently at an advanced stage of negoliating e substantial design consultancy with House of Fraser in connection with its refurbishment programme.

Acrow sale

Acrow Engineers has agreed to sell its South African subsidiary to LTA, one of the country's largest construction groups. Acrow has a 24 per cent direct interest in the South African company and its chairman has e personal stake of 41 per cent. The combined value of these shareholdings is around R10m (£6m).

LTA is offering Acrow South Africa shareholders 460 cents a share. Its total bid is worth R15.2m.

Carlton Comm.

Carlton Communications has agreed to purchase the business and assets of the privately-owned Sterling Storefitters for £480,000.

Sterling specialises in architectural joinery used mainly in the store and shopfitting industry. It occupies Sterling House—in Tottenham, North London—which has a loog lease and has recently been valued at £375,000.

Mr Michael Green, Carlton chairman said the acquisition will allow his group's subsidiary, Carlton Fox to expand its existing in-store display operations.

The consideration is to be satisfied by the payment of £325,000 in cash to the vendors and the issue and allotment credited as fully paid, of 45,000 ordinary shares of Carlton of 5p each.

Lyle Shipping

Lyle Shipping's insurance broking subsidiary, Lyle, Gibson and company, has acquired the goodwill of en Insurance broking business, Hugh Glasgow and Company, which is owned by Mr Hugh Glasgow and run by him as a sole trader.

The consideration is to be satisfied by the issue of 110,000 ordinary shares of 25p each of Lyle, to rank pari passu in all respects with existing shares.

A further amount, which will not in any event exceed £175,000, may become payable to the vendor on October 1 1985, dependent on the performance of the business in the 12 months to that date.

KCA Drilling

Rosshold and KCA Drilling Group state thet the acquisition by Rosshold from KCA International of 60m deferred shares of 25p each and 60m new ordinary shares of 1p each of Drilling (representing 75 per cent of the issued shares of each class concerned) was completed yesterday. Rosshold now holds 79.8 per cent of each class of shares of Drilling.

The Council of the Stock Exchange has granted a listing for the 80m new ordinary shares of 1p eech of Drilling with effect from October 24 1983. Renounceable certificates for tha new ordinary shares will be despatched not later than October 21.

I. D. & S. Rivlin

Anderson and Co in three separate transactions, have purchased the folowing shares in I. D. & S. Rivlin Holdings for holders who hold more than 5 per cent of the issued capital. British Car Auction Group 50,000 shares et 57p, increasing their holding to 450,000 (11.06 per cent); Hawley Group 50,000 shares at 57p increasing their holdings to 450,000 (11.06 per cent); Ma Sagrani Esq, 50,000 shares et 57p, increasing his holding to 555,000 (13.53 per cent).

Roboserve

Roboserve, a private catering and vending organisation, has acquired the Manchester-based Vendops group of companies from Blackwood Hodge.

Roboserve is backed by five City institutions—Pension Fund Securities, CIN Nominees, Legal and General, Esso Pension Trust and Cayzer Gartmore. The acquisition will increase Roboserve's turnover to some £30m and help to consolidate its position as the largest British vending company.

Its new installations are currently running 30 per cent ahead of last year and forward rental income will be some £25m by the end of 1983.

In addition to servicing and operating vending machines Vendops supplies e wide range of catering disposables.

Intl. Thomson share ownership widened

A total of 6.4m shares in International Thomson Group, the Toronto-based publishing, travel and oil group, have been sold to Canadian investors at C$11¾ each as part of a move to broaden ownership of the family-controlled company.

The Thomson family had made up to 7m shares, held through the Woodbridge Company, available on the Toronto Stock Exchange. The sale of existing International Thomson shares in Canada by the family followed the placing of 7m new shares hy the company in London to raise £45m.

The two operations have increased the number of International Thomson shares held by the public to 38.85m from 25.45m and reduced the Thomson family holding in the enlarged equity to just over 73 per cent from 82 per cent.

International Thomson's shares fell 25p yesterday to 645p—5p below the London placing price.

Christy Bros.

from Sturtevant Engineering Products, certain assets relating to process machinery and indns trial washing equipment for £54,652 cash.

Lennon's/Cullen's

Lennon's Group has sold its 5.5 per cent stake (55,029 shares) in Cullen's Stores, the food and wine retail group.

BANK RETURN

	Wednesday October 5 1983	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	42,119,356	+ 1,221,109
Bankers Deposits	632,112 208	+ 31,368,183
Reserve and other Accounts	1,660,017,953	+ 79,740,752
	2,348,802,487	+ 112,330,024
Assets		
Government Securities	403,335,857	+ 21,245,000
Advances & other Accounts	674,488,743	— 11,444,409
Premises Equipment & other Secs.	1,058,279,214	+ 95,897,416
Notes	12,537,772	+ 6,562,7[illegible]
Coin	160,901	— [illegible]
	[illegible]	+ 112,330,024
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	11,430,000,000	+ 30,000,000
In Circulation	11,417,462,228	+ 23,437,217
In Banking Department	12,537,776	+ 6,562,783
Assets		
Government Debt	11,015 100	—
Other Government Securities	4,152,775,361	— 68,626,468
Other Securities	7,266,209,556	+ 98,626,468
	11,430,000,000	[illegible]

MINING NEWS

Lower quarterly gold profits

BY KENNETH MARSTON, MINING EDITOR

HIGHER COSTS, largaly resulting from the annual salary and wage increases which took full effect in July have dampened profits for the September quarter of the Consolidated Gold Fields group's South African gold producers. Total working costs of the seven mines have risen 7.1 per cent to R213.2m (£128.4m).

While the average gold prico in the period declined to $412 per ounce from $428 per ounce in the previous quarter, the exchange rate moved in favour of the South African mines with the result that on average they received R14,983 per kilogramme or under one per cent less than in the June quarter.

In some cases the planned mining of lower grade ores has led to a reduction in gold output, while interest income generally has shown a seasonal fall, reflecting the bi-annual tax and dividend payments totalling R665m which would otherwise have been put to work on the money market.

In all, net profits of the seven mines have fallen hy R30m to R156m during the September quarter.

Only Kloof has managed modestly to increase its net profit for tha September quarter and this was because of a combination of an insurance claim receipt and a reduction in the tax charge.

Mines to report reduced gold output as a result of working lower-grade ores in the quarter include Drlefontein Consolidated, Doornfontein and Libanon. Deelkraal's grade has risen stightly but the benefits of this have been outweighed hy the rise in working costs.

Venterspost has scbieved a bigher profit at pre-tax level, thanks to a useful improvement in grade and thus gold production. On the latest occasion, however, a tax charge arises whereas there was a tax recoupment in the previous three months with the result that the latest net profit has fallen quite sharply.

The letest net profits, which are compared in the following tahle, illustrate the need for a steady increase in gold prices if earnings and dividends are to he maintained. The next hurdle to be faced is the possihility of reduced electric power supplies as a result of South Africa's drought.

A reduction in power would affect production and would also make life more difficult for mines such as those in the Gold Fields group which need to maintain a high level of pumping operations; ironically, mine water underground offers no answer to the shortage above surface.

The drought does sppears to be aasing but much will depend on good rains coming in their seasonal pattern towards the end of this month. And, of course, much also depends on the gold price recovering from its current level of $395 per oz.

	Sept qtr R000	June qtr R000	March qtr R000
Deelkraal	4,572	5,827	9,885
Doornfontein	11,142	14,346	13,338
Driefontein	84,705	106,577	107,037
Kloof	40,942	39,782	41,498
Libanon	11,591	13,779	15,449
Venterspost	2,588	5,142	4,924
Vlakfontein	536	620	654

Ten die in fire at Vaal Reefs

FIVE miners were killed and another fivs were missing, presumed dead, in a fire disaster at the Angle American Corporation group's South African gold mine, Vaal Reefs, in the Klerksdorp area of the Transvaal.

The fire hroke out at the underground mine on Wednesday morning in an air intake. It spread down-wind towards a gang of eight construction workers and two other men at a cooling plant. Early yesterday the fire was extinguished but it is not known whether production at the mine will he affected.

Anamint interim

THE Anglo American Corporation group's diamond investment company Anglo American Investment Trust ("Anamint"), which holds 27.29 per cent of De Beers, reports an attributable net profit for the half year to September 30 of R68.6m (£41.3m) compared with R71.6m a year ago.

An unchanged interim dividend is declared of 150 cents. The total for 1982-83 was 590 cents. The latest net asset value equals 10,094 cents (£60.78) per share.

What they are saying about the gold scene

SPEAKING st an Edinburgh investment confarence organised jointly by stockhrokers Wishart Brodie, and Capital and County Insurance Advisers, Mr Freddie Lawson, chief exective of Lawson Fund Managers said that because the gold price had dipped below the psychological $400 per oz harrier there was no reason for chartists to call it yet substantially lower. He thought investors should watch and wait for two or three weaks.

London stockbrokers Williams de Broe Hill Chaplin feel that while the physical offtake of gold remains weak the price will be vulnerable to a testing of lower support. However, they think that at the present stage of the business cycle" thera is little incentive to be aggressively short of gold."

They conclude: "It may be some time before the market recovers confidence but we fell that potentially huilish influences on the gold price are gathering force." The brokers point to an easing ip pressure on interest rates and expectations of rising inflation which would reduce both real rates of return and the attraction of the dollar.

They also say that gold offtake for fabrication should be rising and feel that some precautionary hedging in gold is likely ahead of the U.S. elections. It is considered that prospective yields on the hetter quality gold shares of 7.6 per cent at a gold price of $400 are reasonable and additions to existing shareholdings are recommended.

Stockhrokers Buckmaster and Moore prefer to take a "wait and see" attitude to gold. Phillips and Drew are bearish and feel that the levels of mining shares generally are too high in relation to prospects for most metal prices for this year and 1984.

Santos oil flow

Australia's Santos reports an oil flow of 1,275 harrels a day from its Narcoonowie 2 exploration well drilled in the South Australia sector of the Cooper Basin.

The oil, rated at 52 degrees API, flowed through a half-inch choke from the interval 1,370 to 1,373 metres. Narcoonowie 2 is the first of an eight-well series to be drilled in the Southern Cooper Basin.

Round-up

SOUTH AFRICA'S gold and uranium-producing Buffelsfontein expects little change in production in the current year to June 30. Estimated ore reserves are 45.4m tonnes with a recovery grade of 6 grammes gold per tonne.

As from September 5 the South African gold producers receive U.S. dollars for their gold sales and not rands as was previously the case. However, this dollar income may only be left in an overseas bank account for seven days after which it must be repatriated. Buffels points out that this will have no material effect on tha mine's earnings.

* * *

Australia's Pancontinental Mining reports an sttribntable net loss of A$3.56m (£2.13m) for the year to June 30 compared with a loss of A$4.16m in the previons 12 months. There is no dividend.

* * *

Estimated ore reserve figures are now given hy Sabina Industries and its partner McFinley Mines from the 60-40 per cent-owned underground McFinley property in Red Lake, Ontario. They amount to 426,374 tonnes grading an average 12.5 grammes gold per tonne, and 30.9 grammes silver. This covers two zones which are open at both ends.

CONTRACTS

Foster Wheeler wins £8.8m Malta order

FOSTER WHEELER POWER PRODUCTS has been awarded a contract by Enemalta Corp., Malta, worth around £8.8m for a large pulverised coal-fired boiler which will produce 300 tonnes of steam per hour, equivalent of about 65 Mw, for the No. 7 steam generating plant at Marsa Creek power station, Vallatta.

The contract will be completed in 16 months, a record time for any pulverised coal-fired plant of this size. Malta Dry Docks will be working as a major subcontractor to Foster Wheeler for local construction work.

The boiler, by far the biggest ever purchased by Malta, will help step up the island's electricity output from a current 187 Mw to 205 Mw.

Malta is stepping up its efforts to reduce dependence on oil to generate power. The island's state energy corporation, Enemalta, will this year spend £94.8m on electricity, gas and petroleum.

*

Blackburn-hssed WHITE CROSS GROUP has won s contract worth £800,000 to supply and install six compactors, dollies and chutes iocluding electrical control panels, hydraulic power units and the main control room and consoles for the GLC's Croydon solid waste transfer station. White Cross will also he responsible for the training of the GLC's operational maintenance staff. The whole scheme, which is being built hy Cementation Construction, is worth about £5m and has been designed to handle 600 tons of household, trade and hulky solid waste per day.

*

Rattee and Kett has £6m orders

Over £6m worth of contracts have been won by RATTEE AND KETT, Cambridge, part of the Mowlem group. The largest is a £2.5m lahoratory and office development at Melbourn, near Royston, for PA Technology, part of PA Consulting Services. The two-storey building, with workshops and car parking, will be part steel frame and part precast coocrete columns with steel roof beams. Gross floor area will be about 3,400 sq metres. In London, the company has been awarded a £1.47m contract to carry out the repair and restoration of the Georgian facade of 1-8 Richmond Terrace, as part of a £25m scheme to reconstruct the terrace of Grade II listed buildings, just off Whitehall, to form a government conference centre. Other work awarded includes: a £350,000 contract by Acorn Computers for the construction of a pilot research and development building in Cambridge and s £500,000 contract by Arat Investments to build the two-storey main residence at Dalham Hall Stud, Newmarket.

*

FERRANTI has won contracts to equip Zurich and Geneva airports with computerised information services. The order was placed by the Saphir Group consisting of three Swiss airport suthorities snd Swissair. The turn-key contract, placed with the Wythenshawe Division of Ferranti Computer Systems, is worth £5.3m, plus a large contract for maintenance.

*

The Overseas Development Administration has awerded a £750,000 contract to LEASCO SOFTWARE to develop and install a fully integrated system to control and administer its aid programme. Leasco's partner in the project is Compnter Technology (CTL), a UK hardware manufacturer. The system Leasco will implement is based on twin CTL 8046 computers, which will handle a comprehensive database and management information system.

*

WILLIAM TOWNSON AND SONS, Bolton, has been awarded contracts totalling about £5.4m. These include erection of a fourstorey retail unit in Edinhurgh for Brador Construction, demolition of huildings for Warrington Borongh Council, construction of premises for the Milk Marketing Board in Nantwich, construction of a health centre in Liverpool for the Liverpool Area Health Authority, and factory and office premisea for Insul 8 in the Salford Enterprise Zone.

*

What is claimed to be the first desalination unit to be purpose-huilt for a British Gas platform is heing supplied by CLARK INDUSTRIES, Hull. A Clark reverse osmosis unit will convert sea water into 16,000 gallons of drinking water each day for men who will be working on the new British Gas field off Morecambe Bay. The field is expected to go into production towards the end of next year. The contract totals nearly £200,000 and has been placed on behalf of Hydrocarbons Great Britain—a whollyowned subsidiary of British Gas—by Brown & Root.

*

NORSK DATA, Norwegian computer manufacturer, has won a contract worth £389,000 to supply three 32-bit superminicomputer systems to Humberside College of Higher Education. The computers will be used for a variety of roles in general teaching, business studies, engineering and architecture.

*

In two weeks JOHN SMITH OF KEIGHLEY has commissioned eight radio control sets for over head cranes belnnging to the British Steel Corporation. The conversions, carried out during the August shut-down period, were at two plants, Scunthorpe and Panteg and are worth nearly £100,000 including the fitting of new contractor control equipment on some of the cranes.

*

An order worth over £1m has been won by TMC for its range of KT telephone instruments. The order has heen placed by EMIRTEL the telephone operating administration in the United Arsh Emirates and is for over 44,000 instruments of varying types, and includes loop disconnect, multi-frequency and 10 address repertory dialling instruments.

*

MILLARD CONTRACTORS, of Tipton, West Midlands, has won the following contracts: 42 homes for the elderly and two wardens flats for Servite Houses at Yardley Wood Road, Birmingham, for £890,861; removal and replacement of external brickwork and cladding for British Telecom at Wolverhampton telephone exchange for £357,656; external repairs to 67 homes at Coventry for Jephson Housing Association for £195,400; and external repairs to 97 homes in Hednesford for Cannock Chase District Council for £344,000.

*

The Ministry of Defence (PE) has placed an order, worth over £2½m, with Marconi Avionics, for nearly 100 AD 2770 TACAN equipments. The TACAN is the tactical navigatiop system used on the majority of front-line aircraft in service with UK air forces. The system can provide pilots with range and hearing information derived from a ground radio beacop or from another aircraft.

*

ML AVIATION COMPANY, White Waltham, Berkshire, part of ML Holdings, has been chosen by British Acrospace Dynamics to design, test and manufacture the launching device for the Air-Launched Anti-Radar Missile (ALARM). Value of the development and initial production contract with ML Aviation is over £2m.

*

JONES AND ATTWOOD, Stourbridge, has been awarded an order for £95,000 for Purafil corrosion control equipment for a new pulp mill to he built in South Africa. The 29 systems involved will be supplied to Fläkt (UK), Staines, for inclusion in the ventilation systems for all the control rooms.

Over £11m work for Fairclough

FAIRCLOUGH PROJECTS has been awarded management contracts totalling £11.75m for the Halifax Building Society at Normanton and Pedigree Petfoods, Melton Mowhray. The Halifax contract includes an air-conditioned high technology services building with integral office accommodation and a strategic energy centre incorporating boilers, chillers, generators, switchgear and associated fire detection systems. For Pedigree Petfoods, Fairclough Projects are responsihle for building the tallest environmentally-controlled chill store in Western Europe. Fairclough is handling the design and construction management of the 32 metre high computer-controlled fully automatic store, which consists of a clad-on-rack structure on pile foundations with special external cladding. The computer-controlled materials handling system supplied by Bahcock FATA includes five cranes with on hoard micro processors, associated conveyors, shuttle cars and lowerators. The site is within existing plant with 3 metres of work space around the development, and the project is being executed without affecting the client's current production.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Pilkington's model for improving productivity

Nick Garnett reports on the UK glass-maker's successful efforts to change working practices at its St Helens plant

THE deputy works manager at Pilkington's Cowley Hill works in St Helens, on Merseyside, used to gaze with a jaundiced eye at the building of UK 5—the £78m float glass works the company wanted as a home not only for the latest flat glass manufacturing techniques but of modern labour practices and procedures.

"I used to call it fantasy island," says Barry Milnes, one of Pilkington's most respected glass makers. So it was a shock when he was told that he was to become manager of the new plant.

Greengate works—as UK 5 is called—has now been operating for two and a half years. In that time the workforce and the management have had to digest a clutch of changes in labour practices unknown elsewhere in Pilkington.

These include a single category for all those 387 employees below the level of office manager; a blurring of demarcation between unions and its removal across many jobs; local plant negotiations outside Pilkington's centralised union-management negotiating bodies; a simplified pay structure and the scrapping of overtime earnings.

The company has been pleased by the achievements at Greengate even though target output took a year longer to reach than expected.

"Its productivity is equal to the best in the world," says Derek Norman, personnel director of Pilkington Glass. In terms of output per man it is twice as productive as the older units in the nearby Cowley Hill works, though the company intends to use Greengate as a model for improving other plants to the same level.

But the advent of the new plant has yet to revolutionise labour practices in the rest of Pilkington's UK plants. Certain changes—such as craft flexibility—have been occurring in the company's other works, but so far the pace has been slow. Management says it is accelerating.

Behind the Greengate initiative lies a desperate attempt by Pilkington to close a productivity gap which opened up in the 1960s and 1970s between it and many glass producers in the U.S., Japan and Continental Europe—including Germany's Flachglas, which became its own subsidiary in 1980.

Pilkington, which last year made a trading profit before redundancy of £4.8m as against the Pilkington Group's UK trading loss before redundancy of £12.1m, also wants to move to site-level bargaining for pay and conditions throughout its UK empire on the model of the new plant. But the unions have so far been resisting this.

Derek Norman argues that local level bargaining creates site identification among employees, makes them more responsive to profit and loss and promotes better performance.

On the union side, David Warburton, a national industrial officer for the General Municipal, Boilermakers and Allied Trades Union, says the unions are prepared to look at some site-by-site flexibility in pay structure but that it would be nonsense not to have central negotiations for fixing standard conditions for employees.

One status

Nevertheless the unions agree that Greengate has worked well. One of the biggest shifts in normal labour practices is that of one staff status for all manual, office and technical employees below office manager. This is linked to a 10-grade pay structure instead of the normal three for foremen, three for craftsmen, eight for process workers and eight for staff.

Automatic yearly pay progression for white-collar employees has been removed as have some special "rewards" for certain groups such as sweatshirts for some process workers. All employees work 39 hours which has meant increasing the length of the working day of office and technical staff from 37½ hours. A 25-day holiday entitlement is common to everyone.

Norman is not sure it's necessary for the 17 managers at Greengate to be outside this set-up. They were excluded after expressing fears that it would restrict their opportunities for moving within Pilkington.

The lack of overtime earnings has caused the most tension though no strikes. Norman concedes that many workers would prefer the ability of varying their earnings to that of having a higher basic pay which at Greengate ranges from £6,430 for clerk-typists to £11,787 for engineering foremen and production assistants, excluding shift and "on call" payments. The abandonment of overtime pay has been described by a union official as "a bitter pill to swallow."

Demarcation between jobs within the two separate categories of mechanical and electrical craftsmen has been broken down. Mechanical craftsmen for example might now be required to carry out a number of tasks including plumbing, pipe-fitting, welding and machinery. Though a mechanical apprentice has always been trained in seven or eight mechanical skills, as an adult employee at other Pilkington plants he becomes exclusively a fitter or plumber or welder.

The handle "glassmaking operator" is now applied to workers engaged in mixing raw materials, melting and forming which are traditionally divided into more than a dozen jobs.

At the same time the new negotiating structure involves all the unions sitting together rather than the GMBATU negotiating with the company separately from the craft unions and from white collar staff—as is the format in the central negotiating framework covering Pilkington's other plants.

Barry Milnes expressed early qualms about multi-craft flexibility—that a piece of welding might be done by someone who was not the best welder but who was doing the job as part of that work flexibility.

Some of the extra training required for operating Greengate has taken longer than senior management expected and the company concedes that it didn't get workers onto the site early enough. Milnes, though, says multi-trade working is causing few problems for a naturally highly-skilled workforce.

Factory of the future

Inside Renault's brave new world

BY PAUL BETTS

DENIS BERTHOLD, is 23. He looks like a classic apprentice at any mechanical workshop. He wears one of those traditional French beige overalls grubby with machine grease and oil. His jeans are suitably faded, his shirt and his shoes are best army-surplus style.

But appearances could not be more misleading. Although this is Denis Berthold's first full-time job since leaving college, he is in charge of operations at what is undoubtedly one of France's industrial showcases. His job is to ensure the smooth functioning of France's first fully automated flexible manufacturing system owned by Renault Vehicules Industriels (RVI), the industrial vehicles subsidiary of the French state-controlled car group. (The flexible manufacturing system is a way of bringing the economies of scale found in mass production methods to small batch manufacturing.)

Berthold's presence at RVI's gearbox factory at Bouthéon, near the industrial and soccer-crazed city of Saint-Etienne, reflects the huge changes automation and computer-aided manufacturing systems are bringing to the old world of the factory. The contrast between the old way of doing things and the new way could not be more vivid.

At one side, self-propelled carts (straight out of Dr Who) transport gearbox components to numerically - controlled machine tools equipped to handle a variety of operations in a workshop decorated with large colourful murals. A viewing platform rises above all this automated activity and acts as a sort of "mission control." Elsewhere in the 470,000 square foot Renault factory, the conventional, labour intensive assembly line operations take place.

The Bouthéon plant was conceived by the Renault group's machine tool division, which also supplied the bulk of the equipment. An official of the machine tool subsidiary claims that all the equipment of the flexible manufacturing system at Bouthéon has been made by French companies. The Renault plant is thus more than a showcase for the large French state car manufacturer. It is also a showcase of French technology for the automated factory of the future at a time when competition in this sector is developing rapidly throughout the industrialised world.

Bouthéon dates back to the early 1970s when the old Berliet company, since absorbed by Renault, built the plant for the machining and assembly of gearboxes. It now produces the gearboxes for Renault's range of heavy commercial vehicles.

Denis Berthold: "The old hierarchical order of the shopfloor has gone out of the window"

The factory was recently expanded to make room for Renault's new flexible manufacturing system, which started production a year ago in June and machines casings for a new gearbox. It has a capacity to produce 70 sets of casings a day. Eventually this will be raised to 100 sets a day.

"What we wanted to achieve was a number of different kinds of flexibilities," explains Guy Mine, the number two at the factory: "The automated system gives us manufacturing flexibility because we can expand production volumes when necessary. It gives us product flexibility in that it can be adapted to machine different products. It gives us flexibility in the control of stocks by ensuring a flow of finished components to the assembly lines. And it gives us flexibility in the event of a machine breakdown." Because the system includes a number of identical machines, if one breaks down production does not grind to a complete halt.

If the new system is revolutionising the way Renault makes gearboxes for its heavy trucks and industrial vehicles, the human implications of the switch to automation have been equally dramatic.

"The old hierarchical order of the shop-floor has gone out of the window," says Berthold. "To make these machines work, to control them, you need new attitudes. What you get is a new sense of team spirit. My job here is to ensure that the system works smoothly."

Although Bouthéon employs 570 people, only 30 are directly involved with the flexible manufacturing system. These are divided into three groups of ten who work three eight-hour shifts each 24-hour day. For the automated workshop to make economic sense—it cost FFr 45m ($6.08m) to install—it must be in constant production.

In each team of ten people, two are involved in traditional tasks. Their job is to load and unload the casings to and from the system. The rest of the team is involved in maintenance, electrical and repair tasks. Apart from Berthold, recruited by Renault straight out of the Ecole Electronique in Paris, the other workers in the automated workshop came from the conventional assembly line side of the gearbox plant.

They all volunteered to join the staff of the new workshop. "For the maintenance crew there is a retraining period of between six months to two years," explains Berthold. Although Berthold supervises operations, Louis Bonet, with 20 years' experience with Renault, is the foreman of the workshop.

"Even Bonet now talks of team spirit. You would never have heard him talk as he does today five years ago when he was foreman somewhere along the assembly operations," says Berthold.

Mine claims that the new workshop has not created a new elite within the factory nor that the automation project upset the labour unions. "This has traditionally been a relatively quiet factory on the labour front. And the unions welcomed what we did," he said. But then Renault carefully selected an expanding plant for its experiment in flexible manufacturing. Although Renault's industrial vehicles subsidiary has been making losses and redundancies during the past year, at Bouthéon the plans call for an extra 130 jobs by 1985 when the plant's workforce should reach 700 people.

In spite of the general acceptance by the labour movement of Renault's venture at Bouthéon, the French unions have become increasingly worried about the heavy commitment to automation that both the country's major car groups are now making.

But the main concern of the unions is robots, claims Mine at the Bouthéon plant. "There is obviously the fear that robots will take away many assembly line jobs. But flexible manufacturing systems are on a different scale. They are designed for small to medium production volumes. Thus there is far less danger to jobs from these new flexible workshops being launched in France than from factory robots.

Workers in the Bouthéon flexible workshop are pleased with their decision to make the switch from the assembly line. "It is more interesting, more varied, more satisfying to work here. And also the training has broadened my professional horizons, says René Martin, who had worked for ten years on the other side of the factory floor at the gearbox plant. But there are also disadvantages. "The round-the-clock shift system means you have to work nights. That does not bother me physically but it sometimes causes domestic problems," he remarks.

Berthold also wonders whether the enthusiasm of working on such a novel system will not eventually wear off. "Although the shifts are each eight hours long, you often find yourself working extra hours. When a machine breaks down and you are repairing it, you are not just going to lay down your tools and go home when your shift ends." But Berthold adds that in the longer run everybody becomes irritated when working hours are continually being stretched. "You can be flexible up to a certain point."

THE PROPERTY MARKET BY MICHAEL CASSELL

Kodak offices on the market

KODAK is to vacate its 80,000 sq ft office building in London's High Holborn, two years after buying it from European Ferries for £24.5m.

News of the group's intended departure comes a week after BP Chemicals announced it was looking for a tenant to take Belgrave House, its 16,000 sq ft London headquarters. The latest decision confirms that the shake-out among major central London office occupiers is not over.

Earlier this year, Kodak said it was considering a move and, after a six-month investigation, it has decided to go ahead. The building is at 190 High Holborn and was developed by European Ferries' property division.

Kodak purchased the freehold of the building a few months after it had agreed to take a long lease at an initial rent of £16 a sq ft. It has decided to retain the freehold but is offering, through Teacher Marks, a 25-year lease at an asking rent of £1.45m—equating to a little over £17 a sq ft.

The building, which is on nine floors and has total running costs of ebout £3 e sq ft, presently houses the European headquarters of Eastman Kodak, the parent company which monitors the activities of its European subsidiaries, including Kodak in the UK.

High Holborn also provides Kodak Limited with its London base and its plain paper copier showroom. About 270 people are employed in the building.

Kodak, which says the move is for "operational reasons" and is playing down the importance of things like high rates, says—like BP Chemicals—thet it will not move until a replacement tenants is found.

Mr Denis Goodchild, assistant general manager, European Region, commented: "It is difficult to say precisely when or to where the European region will move because it depends on when a tenant is found and on what alternative property is availabie to us et that time."

When a tenant is found, however, it seems more than likely that the European division will find itself moving somewhere to the west of London, to join the large number of employers who have relocated there. Kodak's showroom facilities and other marketing services are expected to stay somewhere in central London.

Teacher Marks are looking for a rent et the top end of the going rate for Holborn but say the building is new, air-conditioned, efficient and well-located. Given some signs of an upturn in demand, they might be lucky, though every time a fresh chunk of unwanted space gets offloaded on to the market, the fragile revival takes another little knock.

Rank ponders over property assets

THE NEW brooms sweeping through the corridors of The Rank Organisation's Mayfair headquarters could soon be pushing anything up to £175m worth of commercial property on to the investment market.

The ailing office equipment, leisure and industrial holding company earlier this year faced an institutional uprising over its poor performance. The ructions resulted in the arrival, last month, of Michael Gifford as chief executive, who will be joined in November by Sir Patrick Meaney, the new chairman.

A top-to-bottom review of the group's activities, which is likely to result in the disposal of numerous, low-yielding operations, is already underway and the extensive property investment portfolio—held under the Rank City Wall banner—is high on the list for review.

Douglas Yates, Rank's finance director, says talk of partial—or total—disposal of the group's substantial property investments is only speculetive, though his assertion that "some buildings may be well worth keeping" implies that property sales are likely to form part of the Rank revival plan.

The properties involve a mix of office blocks, shopping centres and industrial floorspace and are spread throughout the UK and Canada. In its last financial year, Rank City Wall made e trading profit of just over £15m and sold for £50m one of its biggest single property assets, the Sheppard Centre in Toronto. The Centre includes two office blocks, over 1,000 apartments and 160,000 sq ft of retail space.

The deal has left Rank with four substantial properties in Canada — legacies of a takeover in 1973. All offices, they are located at Bloorwest and Wellesley in Toronto and in Calgary and Vancouver. Earlier this year, Rank attempted to sell off the Canadian properties, but at that time there were no takers.

Together, the properties — held by Rank City Wall Canada —comprise over 800,000 sq ft of office floorspace, almost fully let. They generate around C$13m in annual rental income.

In the UK, the portfolio includes the Plaza Centre, a 400,000 sq ft retail complex and office tower in East Kilbride, the Savoy Centre in Glasgow, a mixed office, shops and hotel scheme at Westerhailes in Edinburgh and a major industrial and warehousing estate in Dorset.

The group's involvement in commercial property goes back a long way and stems from its nationwide einema interests, which gave it numerous prime sites in High Streets around the country. Rank Property Developments was formed in the late 1960s, specifically to handle the commercial redevelopment of surplus sites. It was subsequently merged into City Wall Properties, which was acquired in 1971.

In the 1981 Rank annual report, Mr Harry Smith, who was then chairman, said the retention of a property portfolio could be justified by an organisation like Rank as it provided a source of income which was secure against inflation, as well as a source of finance when properties matured and were sold.

Rank's priorities — not to mention its chairman — have since changed, and word has it that even the group's stylish South Street headquarters building might find itself on the list of suitable properties for sale.

Institutional spending takes another downturn

INSTITUTIONAL investment in commercial property took another downwards turn during the second quarter of 1983, as investors continued to have their heads turned by the equity and gilt markets.

Figures released by the Central Statistical Office show that significant volumes of money are still being pot into property by the insurance companies and pension funds but that their commitment to real estate continues to be a half-hearted affair.

Institutional interest in prime property still remains keen but the funds' overall commitment to property as an investment option continues to wane and is likely to do so until comparative returns show a marked improvement.

According to the CSO, the insurance companies put £211m into property during the second quarter of the year, a marginal increase over the first three months. But, taken together, their property spending in the first half of 1983 reached £414m—a £20m fall on the same period a year earlier.

The pension funds' spending on property was running at considerably lower levels. In the second quarter, they committed £113m to real estate investment against £150m in the previous quarter. At £263m, spending in the first half of 1983 was down by £177m on the same period of 1982.

Total institutional investment in commercial property during the first half of 1983 stood, therefore, et £677m against £872m in the first six months of last year.

In 1982, the insurance companies and pension funds put nearly £1.8bn into property assets (excluding equity participation) and it is now clear that spending this year will come nowhere near this level.

Some traditional buyers have been staying out of the market altogether—Save and Prosper reveals in its annual report that investment over the last year was confined to improving the portfolio and that no new properties were purchased.

Laing buys office towers in Atlanta

LAING PROPERTIES is paying £18m for Lenox Towers, a 375,000 sq ft office complex at Buckhead, Atlanta, Georgia. The twin 17-storey office centre is at present 85 per cent let at around $12 e sq ft and Laing intends to carry out a two-year refurbishment programme to bring the buildings—completed in 1963 and 1966—up to standard.

● The Commission for New Towns has, in conjunction with Trafalgar House Developments, obtained outline planning permission for the final phase of development of the Stevenage New Town Shopping Centre. Stevenage Borough Council has given approval for the scheme, which will provide 130,000 sq ft of retail space and parking for 1,150 vehicles and which will be located between C & A and Tesco and will adjoin British Home Stores.

● UK Provident has won planning permission for a 54,000 sq ft office scheme on the site of Bevis Marks House, London, EC3. The scheme is being project managed hy Town and City Properties (Developments), part of Sterling Guarantee Trust, and Debenham Tewson and Chinnocks are letting agents.

● The Trustee Savings Bank has acquired the lease of a 39,000 sq ft office building at 25 Milk Street, London, EC2, from Charterhouse Group. The building will be the new headquarters for the TSB, which was advised by Richard Ellis. Debenham Tewson and Chinnocks and Healey and Baker acted for the vendor.

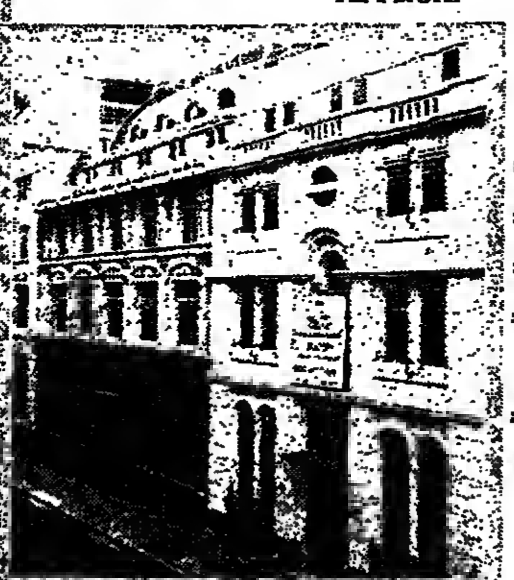
● Capital and Counties have pre-let their 12,000 sq ft office scheme at Hartley Avenue, Mill Hill to Pizza Hut (UK) at close to the asking rent of £117,000 a year.

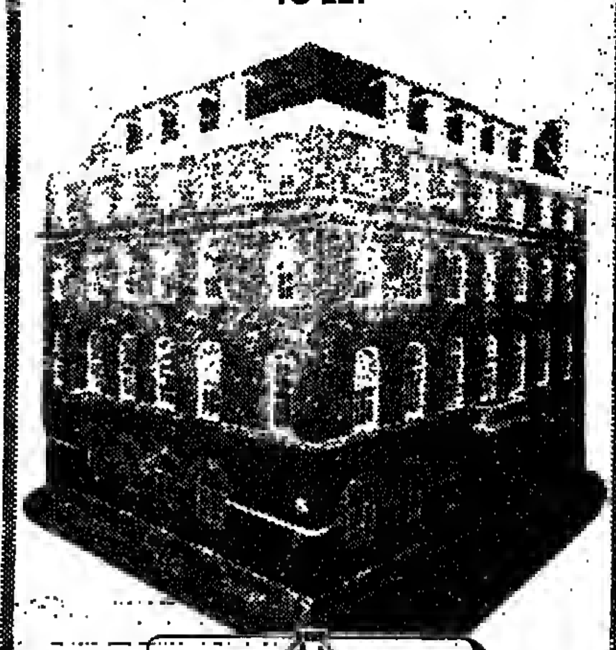
● Electricity Supply Nominees has paid about £2m for a shop in Queen Street, Cardiff. Hepworth, the vendors, have taken a leaseback at an initial £85,000 a year. E. J. Hales acted for Hepworth and Debenham Tewson & Chinnocks represented ESN.

● Sun Life of Canada paid £5m for its Saxon Square shopping scheme and not £15m as quoted last week.

● Brixton Estate has finally let four of the five floors at its 285 Holland Park Avenue office scheme. Tenants are Alitalia, Interwil and Forward Trust. One 6,225 sq ft floor is on offer through Sinclair Goldsmith and Knight Frank & Rutley at £84,000 a year.

● Hongkong Land (Hawaii) has sold its Davies Pacific Centre, Hawaii, for US$59.6m to VMS Realty Partners of Chicago. The 337,000 sq ft building stands in the heart of Honolulu's business district.





Princess House

Bush Lane, Cannon St, London EC4

Spectacular modern air-conditioned office building with ample car parking

Available in floors from 9,000 sq.ft. to 61,000 sq.ft.

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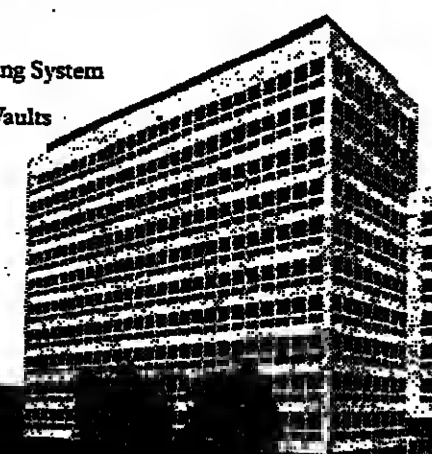

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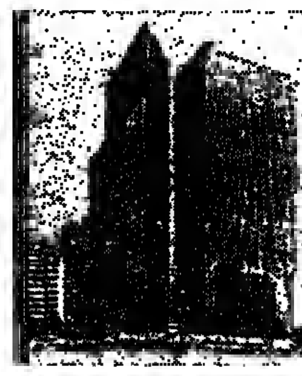

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THE CLERK OF THE COURT
LAW COURTS
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EDMONTON, ALBERTA, CANADA T5J 0R2

All Dollars in Canadian currency.

Further information on the Liberty Building, may be obtained locally from:

COMPANY SECRETARY,
SJIP/BBDO,
31 ST. PETERSBURGH PLACE
LONDON W2 4LA

Or directly from: Ted MacDonald, Senior Account Manager, The Mercantile Bank of Canada, Suite 1800, 10130-103 Street, Edmonton, Alberta, Canada.
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Video sinks to new depths

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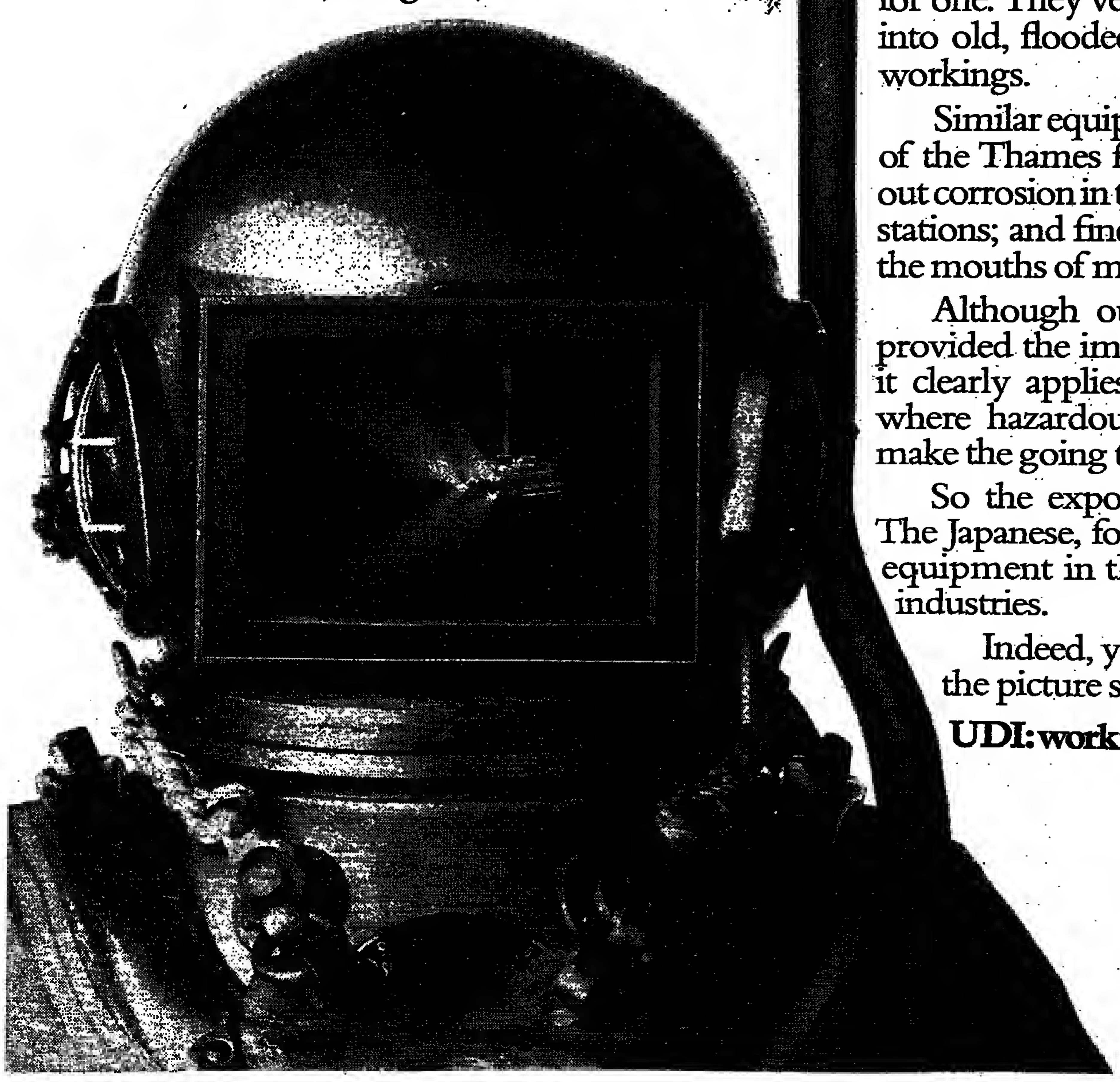
Frankly, we'd rather watch video.

And there's a British company called UDI (part of the John Brown Group) which is helping us do just that. Indeed, the help's been mutual. UDI technology owes much to Shell's encouragement.



Their sonar equipment builds a picture of the sea-bed by bouncing sound-waves off it; and then the cunning fellows convert the sounds into video numbers.

So you can see what the bottom of the sea sounds like. Mind blowing.

And who, apart from oilmen, would want to use such equipment?

You'd be surprised.

There's West Midlands County Council, for one. They've used UDI Sonar to delve into old, flooded underground limestone workings.

Similar equipment is helping surveyors of the Thames flood-barrier; and seeking out corrosion in the water-coolers of power stations; and finding underwater debris in the mouths of major ports.

Although our North Sea operations provided the impetus for this technology, it clearly applies anywhere in the world where hazardous underwater conditions make the going tough.

So the export orders are coming in. The Japanese, for instance, are using UDI equipment in their offshore oil and gas industries.

Indeed, you could say that for UDI the picture sounds rather rosy.

UDI: working well with Shell

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday October 7 1983

U.S. future trading fee distresses the exchanges, Page 44

WALL STREET

Hesitancy yields to new vigour

NEW HIGHS were reached on Wall Street yesterday as stock prices responded to further easing in yields in the bond market, *writes Terry Byland in New York.*

The advance in the stock market was hesitant at first but gathered pace as the credit market turned higher, helped to some degree by repurchase arrangements by the Federal Reserve.

While the market remains unsure of the direction of Federal Reserve credit policies, downward pressure on bond yields reflects several other factors. The slackening in the tempo of the U.S. economic upswing suggests that interest rates will ease in the short term. Also, the attractions of U.S. Treasury issues has been enhanced by the latest developments in the Argentine debt situation.

Meanwhile, the New York debt markets are under little pressure from the big borrowers, either Federal or corporate.

Stock prices opened strongly but the early gains were cut back for a time by the initial sluggishness in the credit markets. But buyers returned with renewed vigour and the Dow Jones Industrial average closed 18.6 up at 1,268.80.

The previous peak of 1260.77 was reached on September 26.

There was little in the way of corporate news to influence the stock market. IBM remained a strong spot, putting on a further $1 to $132½ but there were signs of profit-taking among other high tech stocks which have been favoured this week.

A notable casualty was Honeywell, whose shares fell $1⅞ to $124⅝ having been as low as $120¼ after analysts at the major brokerage houses showed some disappointment with the outcome of a meeting held out of town on Wednesday.

In the over-the-counter markets, shares in MCI Communications slipped from $15¾ to $15⅛ after the disclosure that the company will cut its long distance phone charges to match AT & T.

Railroad issues, overlooked in this week's market upturn, found buyers yesterday. CSX jumped $1½ to $75⅝ and Norfolk and Southern at $69½ were $1½ better.

Airlines slackened off, with Eastern $⅛ down at $6 as the market awaited the outcome of the present financial crisis.

As the U.S. dollar began to fall again in Europe, U.S. export stocks moved higher. Shares in chemical leaders, which sell a high percentage of their product overseas, were featured by Dow Chemical $1⅜ up at $37⅞ and Monsanto $1⅞ higher at $115.

Car makers, also active in overseas markets, had General Motors $1½ up at $76½, Chrysler $1⅛ up at $32 and Ford $1⅜ higher at $65¾. Three Ms at $89⅛ jumped $3⅜.

Pharmaceuticals continued to respond to recommendations by brokerage analysts. Pfizer put on $1⅞ to $43½ and Merck gained $1⅞ to $101⅞.

The expectation that lower interest rates will cut the cost of funds for the major banks lifted shares in Chase Manhattan by $1⅜ to $49¾, and Continental Illinois by $⅛ to $22⅞.

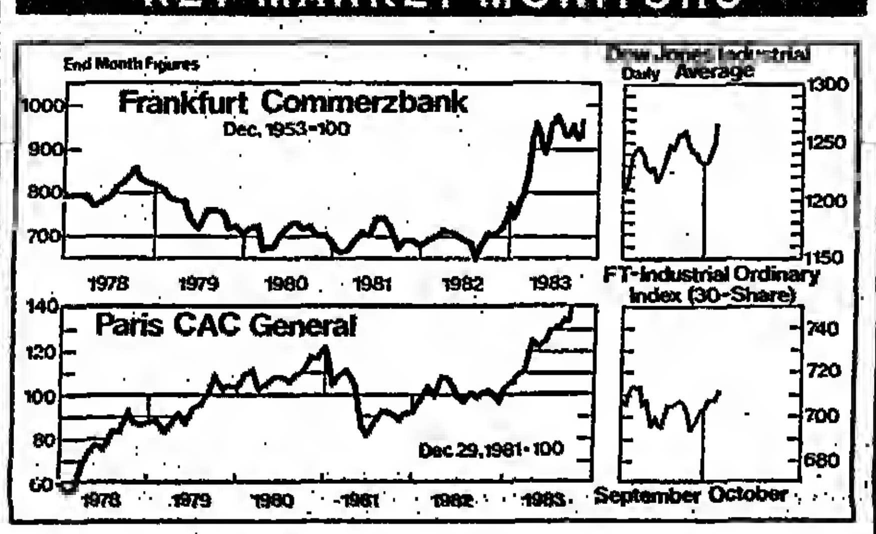
Lower interest rates would also be good for International Harvester, which put on $⅝ to $11⅞.

News of sharp increases in sales in September pushed the retail sector ahead. J. C. Penney gained $2¼ to $81¼, and Sears at $39⅝ put on $1⅜.

In the credit markets, prices opened firmly around the higher levels of the previous close. Help from the Federal Reserve was widely expected in view of the heavy drawdown of cash for tax settlements, and news of one- and five-day repurchase arrangements was no surprise.

But there was increased demand for long-dated bonds, which pushed the key long bond up to 105 ¹⁴⁄₃₂. The shorter end was also firmer with the three-month Treasury Bills at a discount of 8.52 per cent against the 8.56 per cent of the previous session and the six-month bill also discounted lower at 8.74 per cent.

Municipals remained firm behind the successful placing of the New York City notes. Corporates saw little business.



STOCK MARKET INDICES

	Oct 6	Previous	Year ago
NEW YORK			
DJ Industrials	1268.80	1250.20	944.35
DJ Transport	583.63	578.44	373.28
DJ Utilities	140.08	138.82	117.25
S&P Composite	170.28	167.74	125.97
LONDON			
FT Ind Ord	711.4	707.8	599.4
FT-A All-share	445.26	443.91	369.54
FT-A 500	484.12	482.79	413.61
FT-A Ind	438.56	437.07	387.76
FT Gold mines	566.5	544.8	386.9
FT Govt secs	82.07	82.03	80.28
TOKYO			
Nikkei-Dow	9529.97	9491.93	6974.35
Tokyo SE	697.84	695.73	523.38
AUSTRALIA			
All Ord.	702.8	702.3	500.2
Metals & Mins.	538.6	543.1	393.0
AUSTRIA			
Credit Aktien	55.10	55.04	47.67
BELGIUM			
Belgian SE	129.57	129.87	100.33
CANADA			
Toronto Composite	2505.2	2478.7	1619.4
Montreal Industrials	445.39	441.67	294.28
Combined	424.32	420.19	279.28
DENMARK			
Copenhagen SE	n/a	195.92	90.37
FRANCE			
CAC Gen	139.8	139.0	98.4
Ind. Tendance	149.1	147.9	114.1
WEST GERMANY			
FAZ-Aktien	324.04	320.42	234.56
Commerzbank	961.9	951.3	709.3
HONG KONG			
Hang Seng	700.92	717.68	865.88
ITALY			
Banca Comm.	191.65	192.46	160.55
NETHERLANDS			
ANP-CBS Gen	142.2	141.3	87.4
ANP-CBS Ind	117.3	116.2	69.1
NORWAY			
Oslo SE	212.47	208.03	101.85
SINGAPORE			
Straits Times	924.12	931.08	655.44
SOUTH AFRICA			
Golds	782.7	780.4	698.8
Industrials	927.9	932.5	685.5
SPAIN			
Madrid SE	117.37	116.97	99.74
SWEDEN			
J & P	1474.48	1450.0	658.69
SWITZERLAND			
Swiss Bank Ind	337.2	336.8	256.1
WORLD	Oct 5	Prev	Yr ago
Capital Int'l	181.7	180.2	133.0

GOLD (per ounce)

	Oct 6	Prev
London	$395.375	$392.875
Frankfurt	$395.75	$389.00
Zurich	$395.50	$389.50
Paris (fixing)	$399.00	$392.44
Luxembourg (fixing)	$397.50	$388.25
New York (Oct)	$395.3	$397.20

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Oct 6	Previous	Oct 6	Previous
$	–	–	1.4925	1.4865
DM	2.5785	2.6	3.85	3.8675
Yen	232.25	233.25	347.0	347.0
FFr	7.921	7.945	11.8175	11.81
SwFr	2.0935	2.103	3.1275	3.13
Guilder	2.898	2.916	4.33	4.335
Lira	1571.0	1575.25	2344.0	2341.5
BFr	52.65	52.96	78.6	78.75
C$	1.23025	1.23125	1.836	1.8295

INTEREST RATES

	Oct 6	Prev
Euro-currencies (three month offered rate)		
£	9⁷⁄₁₆	9⁷⁄₁₆
SwFr	4¼	4
DM	5⅞	5⅞
FFr	15⅝	15
FT London Interbank fixing (offered rate)		
3-month U.S.$	9½	9⁹⁄₁₆
6-month U.S.$	9⅝	9¹¹⁄₁₆
U.S. Fed Funds	9½	9⅝
U.S. 3-month CDs	9.1	9.05
U.S. 3-month T-bills	8.52	8.52

U.S BONDS

	Oct 6		Prev	
Treasury	Price	Yield	Price	Yield
10⅜ 1985	100²³⁄₃₂	10.34	100²¹⁄₃₂	10.37
11½ 1990	101⁹⁄₃₂	11.24	101⁵⁄₃₂	11.26
11⅞ 1993	103⁸⁄₃₂	11.30	103¹⁰⁄₃₂	11.29
12 2013	105¹⁴⁄₃₂	11.36	105¹⁴⁄₃₂	11.35
Corporate	Oct 6		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	95*	11.45*	95	11.45
3⅞ July 1990	69⅝*	10.20*	69⅝	10.20
8⅝ May 2000	77⅛*	11.93*	76⅝	12
Xerox				
10⅞ March 1993	94*	11.70*	94	11.70
Diamond Shamrock				
10⅞ May 1993	92⅞*	11.90*	92⅞	11.90
Federated Dept Stores				
10⅜ May 2013	88.53*	12.05*	88.17	12.10
Abbot Lab				
11.8 Feb 2013	98.35*	12*	97.95	12.05
Alcoa				
12⅛ Dec 2012	98*	12.50*	97.37	12.55

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	73–09	73–16	73–03	73–08
U.S. Treasury Bills (IMM) $1m points of 100%				
December	91.26	91.30	91.23	91.29
Certificates of Deposit (IMM) $1m points of 100%				
December	90.59	90.62	90.53	90.57
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.42	90.48	90.41	90.39
20-year Notional Gilt £50,000 32nds of 100%				
December	107–19	107–27	107–16	107–17

COMMODITIES

(London)	Oct 6	Prev
Silver (spot fixing)	694.15p	655.35p
Copper (cash)	£972.75	£965.50p
Coffee (Nov)	£1866.00	£1859.50p
Oil (spot Arabian light)	$28.30	$28.32

EUROPE

Gains quick to cross Atlantic

THE RENEWED vigour on display in New York was readily translated yesterday into a jump both in prices and trading volume in many European centres – the main exceptions stemming from the depressed French and Belgian francs and fears of a new Italian tax on assets.

The best of the running was made in Frankfurt as the D-Mark showed further upward impetus, although part of the 10.6 gain in the Commerzbank index at 961.9 could be ascribed to late dealings on Wednesday which its midsession daily calculation could not embrace.

Foreign investors, attracted by the hope of currency gains, none the less enabled the advance to be sustained throughout yesterday, while a London broker's recommendation of West German engineering issues continued to buoy that sector.

Banks shook off recent worries over their Latin American exposure, taking Dresdner DM 2.50 up at DM 173 and Deutsche Bank – among the most troubled in past days – leapt DM 6.50 to DM 307.

A shortage of paper in the bond market was alleviated by Bundesbank sales worth DM 101.9m as prices put on just under a half-point.

Publishers remained at the fore of an **Amsterdam** advance, with Elsevier Fl 13 ahead at Fl 433, while a second spearhead continued to be insurance issues – Nat Ned added Fl 2 to Fl 177.50 on a London recommendation that it "ought to form a core holding" in any internatinnal portfolio.

Interest-rate optimism added a half-point to domestic bond prices in equally brisk trading.

Paris managed to secure scattered decent gains and a final 66 to 68 lead for advances over declines. Pernod-Ricard, planning a one-for-two scrip eligible for year-end dividends, soared FFr 20 to FFr 696 while Bongrain gained FFr 60 to FFr 1,620 and Beghin-Say FFr 7.80 to FFr 303.

Petrofina came under further **Brussels** pressure, losing BFr 30 to BFr 5,770 for a two-day BFr 150 plunge, despite the reported large-scale support of one institutional buyer.

An easier **Milan** showed evidence of a tentative late rally, and Fiat was among the list of small gains with a L5 rise to L3,030, but insurers there were amnng those marked down severely. Toro shed L110 to L11,100 and Generale L800 to L142,500.

With Swiss inflation at a five-year low, **Zurich** provided gains for industrials including SwFr 50 for Hoffman-La Roche at SwFr 8,900 and SwFr 25 for Sandoz at SwFr 6,600.

Ericsson led **Stockholm** with a SKr 21 gain to SKr 458 on New York purchases of ADRs in the telecommunications concern. Another high flier, although in more moderate volume, was Perstorp in chemicals, which surged SKr 50 to SKr 500. Its shares, also quoted in London, drew similar foreign attention.

A quieter **Copenhagen** showed Danske Bank DKr 12 off at DKr 283, while **Oslo** retained post-budget strength with Norsk Data NKr 6 ahead at NKr 255.

Banking issues in **Madrid** were steady or stronger as the authorities cleared foreign takeovers of two smaller Spanish banks.

SOUTH AFRICA

AN EASING in the bullion price pulled back gold shares from their opening highs in **Johannesburg** yesterday.

Anglo American Gold, however, finished the day R2.25 ahead at R126.25 while Driefontein added R1.5 to R33 and Gold Fields was 50 cents higher at R126.5. Elsewhere, De Beers improved 20 cents to R9.15 and Rustenburg gained 60 cents to R10.60.

TOKYO

Reckoning on rates spurs record

RISING expectatinns of a cut in the official Japanese discount rate spurred stock buying in Tokyo yesterday, with the Nikkei-Dow Jones average clnsing above the 9,500 mark fnr the first time ever, *writes Shigeo Nishiwaki nf Jiji Press.*

Share prices opened higher almost across the board nn the yen's firmness against the dollar and an overnight upsurge nn Wall Street, but fell back somewhat in the afternoon as the yen suffered a reversal. Investors were apparently reluctant to increase their purchases further befnre the market closes for three days after today, because Monday is a natinnal holiday.

The 225-issue market indicator, which achieved a 48.84 gain in the morning session, finished the day at 9,529.97; up 38.04.

A total of 369.81m shares changed hands as against 338.64m on the previous day. Gains outnumbered losses 376 to 256, with 203 unchanged.

Investors went for a wide variety of issues in the morning, focusing on blue chips. Chemicals were especially popular in anticipation nf improved business performance. Nippon Soda gained Y25 to Y636, Tokuyama Soda Y11 to Y362 and Shin-Etsu Chemical Y9 to Y822.

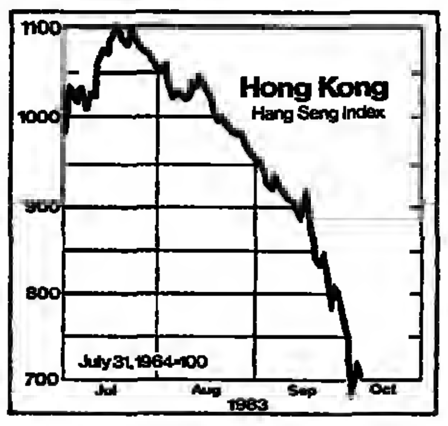
Pharmaceuticals, sold recently because of a series of industrial espionage cases involving drug companies, rebounded. Dainippon Pharmaceutical soared Y150 to Y3,580 and Banyu Pharmaceutical Y30 to Y1,130.

Toyama Chemical, alleged to have illegally obtained data stolen from a competitor, was also bought, gaining Y15 to Y725. Fujisawa Pharmaceutical, another company allegedly involved in the spying scandal, remained unchanged at Y886.

Heiwa Real Estate, a favourite of speculators, attracted massive buy orders, shooting up Y36 to Y645. This gave a boost to major property companies. Mitsui Real Estate added Y24 to Y754, Mitsubishi Estate Y7 to Y497, and Sumitomo Realty Y19 to Y442.

In the afternoon, blue chips either declined or marked time. Nonetheless, Canon closed Y40 higher at Y1,470, Toyota Y20 at Y1,280, and Honda Y7 at Y981.

The yield on 7.5 per cent government bonds maturing in January 1993 fell from 7.68 per cent to 7.62 per cent – dropping almost to 7.61 per cent, the low for this year recorded in January.



HONG KONG

RENEWED selling in Hong Kong took the Hang Seng index 16.76 lower to end at 700.92, with the market still unsettled by traumas including the near-failure of Hang Lung Bank last week and the arrest of senior directors of crasbed property group Carrian, *writes Robert Cnttrell in Hong Kong.*

The index is close to its low fnr the year of 690.06 recorded on Tuesday.

The Hong Kong dollar, wbicb closed there yesterday at around HK$8.60 to its U.S. counterpart, has fluctuated unpredictably in the HK$8 to HK$8.80 band since the Hong Kong Government's announcement on Sunday of last week that it planned measures to support the currency. These measures bave nnt yet been detailed.

Some analysts note that the financial markets were particularly nervous ahead of the fourth round nf Sino-British talks in Peking on September 22-23, and will be watching closely the run up to the fifth round of talks which begin on October 19.

Cheung Kong fell 25 cents to HK$5.70 and Hongkong Land 13 cents to HK$2.27, but Swire Pacific rallied 10 cents to HK$11.50.

SINGAPORE

A DOWNWARD drift in Singapore slowed somewhat to leave the Straits Times industrial index 6.96 lower at 924.12 after a 22.36 slide on Wednesday.

Hong Leong Credit was among the worst affected this time – 40 cents off at S$7.10 – while Hong Leong Industries shed 30 cents to S$7.50.

Motor issues suffered from anxiety over a possible increase in Malaysian car taxes: Cycle and Carriage came down 20 cents to S$6.35 and UMW four cents to S$2.67.

LONDON

Investors shrug off nervousness

STOCK MARKETS in London took heart from Wall Street's overnight 13-point rise, while sterling's firmer showing belped investors overcome Wednesday's bout of nerves. Interest in the leaders waned considerahly after a firm start and the more speculative and secondary issues again claimed the lion's share nf the business. The FT 30-share index closed up 3.6 at 711.4, after baving been 5.3 up at noon.

Gilts fnllowed the rally in U.S. bonds and received additional assistance from sterling's improvement. Trade remained on a small scale but quotatinns generally hardened outside nf the shorts, which showed no decided trend.

Market sources were coy about confirming official first-time sales of the shnrt-tap, Treasury 9¾ per cent £30-paid convertible 1966, but the Government broker was believed to have supplied a small quantity of stock at £30⅛. Gains in longer-dated stocks ranged to ⅜.

The extremely volatile South African gold share market took a turn for the better in sympathy with a gain of $2½ to $395⅜ an ounce in the gold bullion price. *Details, Page 39; Share Information Service, Pages 40–41.*

AUSTRALIA

SUSTAINED HEAVY trading gave a number of good gains to Sydney blue chips but widespread losses re-emerged in the resource sectors after a stronger opening.

A promising drilling report from a Timor Sea oil well came too late to buoy sbares in the three principal companies involved: BHP finished steady at A$12.45, Weeks slipped three cents to A$1 and Ampol Exploration lost 8 cents to A$3.67.

CANADA

A FIRMER resource sector edged Toronto stocks higher by mid-session yesterday. Gold sbares showed the most impressive gains while other metal and oil issues were stronger.

Montreal stocks failed to imitate the pace of advance, but was nevertheless firmer, while Vancouver was easier.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¾	6¼	AAR	.44	2.8	21	115	16	15¾	16	+ ½
52⅞	29½	ACF	1.40	2.8	85	395	50¾	50¼	50⅜	
28	14½	AMF	.50	2.9		357	17¼	17	17⅛	+ ⅛
60¼	13⅞	AMR Cp			44	6048	30⅛	29⅛	29¼	− ¼
18⅝	14½	AMR	pf2.18	12		25	18½	18½	18½	
38⅞	24⅞	AMR	pf2.15	6.3		168	34¼	33½	33⅞	− ¼
15⅝	2½	APL			31	192	15⅛	14⅝	15	+ ¼
55	31¼	ARA	2.05	3.2	13	899	52¼	51¼	52	+ 1
78⅝	43¾	ASA	3a	5.2		825	57½	56⅛	57½	+ 1
33⅞	9⅝	AVX	s .32	1.2	67	213	27⅝	27	27½	+ ⅜
51¼	34⅛	AbtLab	1	1.9	20	2232	u51¼	50	51¼	+ 1¼
30⅞	23⅞	AccoW	n .50	2.8	19	211	24¾	24¼	24¾	+ ⅜
27½	16⅝	AcmeC	.40	1.7		33	23¾	22¾	23¾	+ ½
14⅞	7⅛	AcmeE	.32b	2.9	275	18	11⅜	11	11	− ⅜
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 37

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22¼	7⅞	AAV	.32	2.2	13	8	14½	14½	14½	+ ⅛
4¾	2⅞	AICPh				3	3½	3½	3½	
6⅛	1½	ATI				99	2½	2⅜	2½	
12⅞	2	AcmePr			9	31	6½	6⅜	6½	+ ⅛
14½	1⅛	Action	s		10	110	13	12½	12½	− ⅛
12	5⅝	Actons	.11	13	38	69	7¾	7⅜	7⅝	
6½	1⅛	Actn	wt			4	3½	3½	3½	− ½
8	1⅞	AdmRs				48	4¼	3⅞	4	
30⅞	15⅞	AdRusl	s.10	4	16	38	24¼	24¼	24⅜	− ½
28⅝	14⅝	Adobe	.20	1.0	14	82	21	20⅝	20⅝	− ½
5⅛	2	AeglsCp			15	117	4¼	4⅛	4⅛	− ⅛
7	4	Aeronca			8	47	4⅝	4½	4⅝	
32½	11	AfilHsp	.36	1.5	16	5	23⅝	23½	23½	
17½	3⅞	AirSix			9	69	12⅞	12	12⅛	− ⅛
15½	5⅜	AirExp				79	7⅞	7⅜	7⅞	
6⅝	4⅝	Alamc	n		11	08	6⅝	5½	5½	
23⅛	4¼	AlbaW	.15e	1.1	12	30	14½	14	14⅛	− ⅛
70	38	AlgC	wt			4	63¼	63¼	63¼	
12⅞	7¾	AlmySt		1.7		2	11¾	11⅞	11⅞	+ ⅛
10⅞	5¼	AlohaA				27	8⅝	8¼	8¼	+ ½
28⅛	14⅝	Alphal	s.05	.2	28	189	20⅞	20⅜	20¼	+ ½
1⅞	½	Altec				305	¾	½	⅝	+ ⅛
2⅞	1⅛	Altex				114	2½	2⅛	2¼	− ⅛
32½	11¼	AlzaCp				2774	18⅞	17⅝	18⅛	+ 2¼
28⅝	11½	Amdhl	s.20	1.0	53	1076	19⅛	18⅝	19⅛	+ ⅛
25⅞	6⅛	Amedc	s.08	.5	22	65	17¾	16⅞	17	− ⅛
7½	3½	ABkt	p.15	2.9	28	3	5¼	5⅛	5⅛	
5	1⅛	AmCap				21	3	3	3	
44¾	12⅞	AExp	wt			229	29⅛	28⅛	29¼	+ 2⅞
15½	7½	Aisrael			3	3	8	8	8	+ ⅛

Continued on Page 38

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 36

V-V-V

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
82¼	29½	VFCp	s1.60	2.6	9	330	61⅝	60⅞	61⅝	+ 1⅞
36¾	17⅝	Valero	.40	1.5	10	373	27⅝	26⅝	27⅛	+ ⅛
26¾	25	Valer	pf3.44	13.		62	u27	26⅞	26¼	− ⅛
7⅞	4	Valeyin				134	5⅞	6	5	− ⅛
23¾	13⅛	VanDm	1.20	5.5	16	8	22¼	22	22	+ ⅛
9½	4⅞	Varco				106	8⅛	8⅛	8⅛	
63⅞	21½	Varian	s.26	.4	32	332	58⅞	56⅝	58¼	+ 2⅞
21⅞	7½	Varo	.40	2.2	36	75	18⅛	18	18⅛	+ ⅛

Continued on Page 38

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 37

[illegible]

NEW YORK CLOSING PRICES

Continued from Page 37

[illegible]

CANADA

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

ITALY

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xs Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK-DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

Oct 6	Oct 5	Oct 4	Oct 3	1983 High	1983 Low
—	—	—	—	442.62 (6/5)	79.79 (24/1)

RISES AND FALLS

	Oct 6	Oct 5	Oct 4
Issues traded	984	1948	1962
Rises	135	991	937
Falls	514	592	636
Unchanged	335	365	389

MONTREAL

	Oct 6	Oct 5	Oct 4	Oct 3	1983 High	1983 Low
Industrials	445.39	441.67	442.73	441.81	483.88 (5/5)	329.12 (4/1)
Combined	424.32	428.19	428.34	419.39	441.29 (28/5)	318.4 (5/5)
TORONTO Composite	2505.2	2478.7	2474.8	2468.1	2588.2 (28/5)	1949.8 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

Other indices

[illegible]

SOUTH AFRICA Gold (1958)	—	789.4	781.8	748.1	1099.5 (1/2)	684.5 (20/6)
Industrial (1958)	—	932.5	934.7	959.1	989.7 (20/6)	704.3 (0/1)
SPAIN Madrid SE (31/12/82)	117.37	116.92	116.4	—	128.82 (15.7)	88.82 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1474.48	1458	1455.68	1430.36	1528.58 (8/9)	888.19 (4/1)
SWITZERLAND SwissBankCpn. (31/12/58)	337.2	336.8	335.1	334.8	317.8 (4/8)	284.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	161.7	160.2	160.8	166.8 (26/9)	154.5 (4/1)

(**) Saturday Sept 24: Japan Dow 8,314.00, TSE 587.68.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrial. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable

LONDON STOCK EXCHANGE

MARKET REPORT

Wall St/sterling influences promote small equity rally

Index closes 3.6 up—Golds better

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Sept 19	Sept 29	Sept 30	Oct 10
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 26	Nov 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

London stock markets took heart from Wall Street's overnight 13-point rise, and sterling's firmer showing helped investors to overcome Wednesday's bout of nerves. Interest in the leaders waned considerably after a firm start and the more speculative and secondary issues again claimed the lion's share of the business. The FT 30-share index picked up 3.6 at 711.4, after having been 5.3 up at noon.

Among the constituents, GKN attracted a good demand on hopes but closed well below the day's best. Another good trade was transacted in London Brick on continuing hopes of a bid from Hanson Trust, while BOC strengthened on good demand. GEC, on the other hand, tested the year's low of 188p and closed 2 easier at 190p.

Overall, sentiment was helped by calmer conditions in the oil and bank sectors; the former, still nervous about the outlook for oil prices, edged higher in the absence of fresh selling. The major clearers held their overnight levels but the International debt situation deterred buyers.

Gilts followed the overnight rally in U.S. bonds and received additional assistance from sterling's improvement yesterday. Trade was again on a limited scale but quotations generally hardened outside of the shorts which showed no decided trend. Market sources were coy about confirming official first-time sales of the £30-paid short-tap, Treasury 9¾ per cent Convertible 1988, but the Government broker was believed to have supplied a small quantity of stock at £30¼. Gains in longer-dated issues ranged to ⅜.

The extremely volatile South African gold share market took a turn for the better in sympathy with a gain of 2½ to $395¾ an ounce in the gold bullion price. Gold shares rallied by as much as 3 points at one stage before closing with rises ranging to nearly 2 points. The FT Gold Mines index jumped 21.7 to 566.5 following its drop of around 97 points since the start of the previous trading Account.

Banking issues showed few changes. The main clearers steadied after Wednesday's setback with Barclays closing 4 better at 452p. Receding Hong Kong concern allowed Standard Chartered to regain 8 at 420p. Elsewhere, FNFC improved further to 63p, still on American bid speculation, before reverting to the overnight 61p.

The increased interim dividend enticed fresh buyers to Hambro Life, up 8 more at 434p, and, among Composite issues, General Accident rose 7 to 432p. Stewart Wrightson closed the same amount better at 252p in Brokers.

Yesterday's market debut of Coin Industries was a quiet affair; offered for sale by tender at a minimum price of 100p with a striking price of 105p, the shares opened at 108p and remained at that level throughout the session. Wednesday's market newcomer Atlantic Computer found further support and touched 260p before closing a net 12 up at 257p; this compares with a minimum tender price of 170p and a striking price of 230p.

Leading Breweries passed a subdued session and closed a shade easier for choice. Dorset brewers Eldridge Pope, traded in the Unlisted Securities Market, held at 710p; the company is preparing to market its premium Royal Oak bitter in 33 cl bottles.

Bid rumours continued to swirl around London Brick which encountered another heavy turnover and touched 95p before closing without alteration at 94p. Among other Building issues, Redland found support and firmed 5 to 252p, while BPB Industries rose 7 to 267p. Higgs and Hill rose 4 for a two-day gain of 18 to 298p in response to the 40 per cent interim profits expansion and A. Monk firmed 4 more to 130p as bid rumours persisted. McCarthy and Stone, traded in the Unlisted Securities Market, put on 15 to a 1983 peak of 340p, while Bellway revived with a gain of 5 at 121p. Hewden-Stuart hardened a penny to 35p following the interim statement, but the 25 per cent half-year profits expansion failed to sustain Ruberoid, which shed 9 to 288p.

Helped initially by Wall Street's overnight performance, ICI opened a shade firmer at 554p but drifted back to close a couple of pence cheaper on balance at 550p.

Rivlin wanted

A lacklustre sector of late, leading Stores responded to investment support and finished at the day's best. Marks and Spencer, 210p, Burton, 342p, and House of Fraser, 232p, all added around 3, although Debenhams, interim results today, eased the turn to 144p. Buyers showed fresh interest in I. D. and S. Rivlin, which advanced 5 to 67p following the announcement that British Car Auction, Hawley Group and Mr M. A. Sagrani have all increased their holdings in the company. Austin Reed eased a penny to 143p after the interim results. Amber Day returned to favour and closed 3 better at 11p.

Certain Electrical leaders were unable to hold enhanced opening levels, notably GEC, which ended 2 down at 190p after extremes of 194p and 188p. Plessey also eased a couple of pence, to 222p, but Thorn EMI moved up 5 to 622p. Scattered selling lowered Cable and Wireless 7 to 298p, but renewed demand in the wake of sparkling annual results lifted Amstrad 30 to 480p. Revived speculative interest took First Castle up 7 to 112p, while Pressac furthered recent strength to close 5 up at a peak for the year of 126p.

GKN rose to 168p on hopes of bullish reports emanating from a broker's lunch yesterday, but these were not fulfilled and the price later slipped back to 164p for a rise of only 3. Other Engineering leaders followed and TI gained 4 to 140p, while Vickers put on 2 at 110p. Spear and Jackson's first-half return to profitability inspired support up to 122p before a close of 8 up on balance at 116p. News of the halved interim profits, however, brought Bronx down 2 to 15p, after 14p, and Davy eased 3 to 51p following Wednesday's gloomy annual meeting. Planet continued in demand, advancing 4 to 62p and a tip sheet recommendation lifted Braham Millar 4 to a 1983 high of 27p.

Selected Food Retailers showed up well. Tesco stood out with a gain of 8 to 174p on revived institutional buying, while Associated Dairies put on 6 to a 1983 peak of 184p. On the other hand, J. Sainsbury were neglected and shaded to 427p. Argyll, 136p, and Dee Corporation, 340p, both firmed 4, while Bishop's Group "A," still waiting news of the bid approaches, gained 18 more to 258p. Cullen's Stores jumped 32 to 268p and the "A" 28 to 216p; Lennons has disposed of its 5.5 per cent stake in the company.

Trusthouse Forte closed 2 cheaper on balance at 178p, after 181p, on talk that a broker had downgraded his profits estimates.

Johnston slump

News items caused contrasting features among miscellaneous Industrials. Johnston Group slumped 55 to 275p on lower interim profits and the warning of a continuation of the trend, but Charles Sharpe jumped 100 to 725p following good results and the proposed scrip issue. Unigroup's midway return to profitability brought about a rise of 3 to 67p, while Holt Lloyd's sharply increased first-half results led to a gain of 2 to 59p. United Guarantee improved a penny to 40p, also on good interim figures. Tip sheet recommendations took Wade Potteries up 4 to 66p, Daport 1½ higher to 33p, and LCP 2 better to 93p, while a broker's selection lifted BOC International 8 to 236p.

British Aerospace revived 6 to 193p, Johnson Matthey picked up 6 to 240p and Pilkington gained 5 more to 230p, but leading shares had casualties in Bowater, which reacted 6 to 208p, and Rank Organisation, down 5 at 169p. Talk of a possible bid from Tarmac lifted Marley 3 to 75p, Restmor picked up 6 further at 146p and Moben 4 at 35p. In a restricted market A. Kershaw were lowered 15 to 125p.

Special situations dominated proceedings among Motor sectors. Dunlop hardened to 57p before settling a net penny lower at 55p on the appointment of a judicial receiver for the group's loss-making French tyre division. Kwik-Fit, on the other hand, attracted good support and advanced 5 to 57p. Lex Service added 3 more at 323p, while a brisk trade developed in H. Young in the wake of Wednesday's full-year profits recovery and the shares rose 6 to 60p, after 65p.

Revived speculation about a flotation of the Reuters news agency gave a boost to Fleet Holdings, 6 up at 130p. International Thomson, in contrast, eased 25 for a two-day fall of 48 at 645p in the wake of the £45m share placing in London and Canada.

Isolated firm spots in the Property sector included Estates Property Investment, which touched a 1983 peak of 148p before closing 3p up on balance at 146p. Speculative demand in a thin market lifted Alfred Walker 7 to 55p, but profit-taking in the absence of news of the Sun Life bid approach left North British Properties 4 cheaper at 153p.

The combination of land development prospects and hopes of a "shell" situation directed renewed support towards Ellenroad Mill which advanced to 42p before settling 3p up on balance at 38p. Harold Ingram, also regarded as a "shell," encountered further profit-taking and gave up 18 more to 300p, while Tranwood eased a fraction to 5½p following the small first-half deficit.

Movements of note among Investment Trusts were again usually confined to Far-Eastern stocks. Crescent Japan remained in the vanguard and rose 7 to 651p. Elsewhere, F. and C. Enterprise eased a fraction to 31½p following the proposed rights issue. In Financials, Exco International, the subject of favourable Press comment recently, responded to revived optimism concerning the stake in financial information service Telerate and improved 10 more to 578p, after 583p. British and Commonwealth, which also has an interest in Telerate, rose 30 to 900p and Caledonia rose a similar amount to 805p. Stockjobbers remained buoyant on persisting hopes that a change in Stock Exchange rules would permit outsiders to take stakes in member firms; Smith Brothers gained 5 to 53p, after 54p, while Akroyd and Smithers also added 5, at 417p.

Oils steadier

Oils steadied after the traumas of the last couple of days. BP held at 428p, but the new shares again slipped below the partly-paid tender price of 200p and closed 2 cheaper at 198p. Ultramar, a major casualty in the recent shake-out, staged a small rally and finished 5 dearer on balance at 625p, after 627p. Britoil, however, shed 2 more to 218p and Tricentrol lost the same amount to 208p. Among the speculative exploration issues, Atlantic Resources eased to 520p before closing at the overnight level of 530p. Eglinton rose 10 to 290p, after 295p, and Conroy gained the same amount to 180p. Elsewhere, Silkolene hardened a couple of pence to 184p despite the 18 per cent interim profits contraction.

In Overseas Traders, Mitchell Cotts firmed 4 to 40p with the downturn in annual profits proving no worse than anticipated, while the confident tenor of the accompanying statement also helped sentiment.

Golds gain ground

Gold shares regained more of the ground lost earlier in the week as the bullion price firmed gradually during the day. The recovery overnight in silver also contributed to the firmer tone.

Bullion was finally $2.50 to the good at $395¾, and the Gold Mines index rallied 21.7 to 566.5.

Gains among the heavyweight South Africans ranged as high as almost two points, as in President Steyn at £31¼, with Randfontein not far behind after a rise of 1⅝ to £82½.

Rises of around a point were common to Buffelsfontein at £35, Driefontein at £21, Hartebeestfontein at £48⅞, Kloof at £29, Vaal Reefs at £73¾ and President Steyn at £31¼.

The medium and lower-priced issues provided features in Blyvoor and Unisel, both 63 higher at 971p and 937p respectively. West Rand Consolidated at 575p and Grootvlei at 954p both ended more than 40 to the good, while Welkom put on 38 to 929p and ERGO 32 to 469p.

The gold-based South African Financials also moved ahead, with the exception of "Johnnies," which shed a point to £84. "Amgold" were 1¾ higher at £76½, Gencor up ⅞ to £15¾, and Gold Fields of South Africa and Anglo American, both ½ higher at £75½ and £12¾ respectively.

In Diamonds, Anglo American Investment featured with a four-point jump to £70, while De Beers closed 17 up at 550p.

Platinums also benefited from the generally firmer tone, with Rustenburg finally 30 higher at 635p, with Impala 780p, and Lydenburg, both 525p, 20 firmer.

Australians were mixed, with the precious metal producers mostly higher while base metal counters suffered. Gold Mines of Kalgoorlie at 610p and Poseidon at 297p were both up 5, while Whim Creek put on 4 to 156p.

In contrast, Peko-Wallsend lost 6 to 424p, Pancontinental 4 to 86p and CRA 2 to 340p. Among the more speculative issues, Emperor jumped 16 to 180p.

Activity in Traded Options declined slightly, although business was well spread throughout the list. Imperial Group remained to the fore with 467 calls traded, 194 in the popular November 120s. ICI and British Petroleum recorded 248 and 134 calls respectively, while Tesco, dealings in which only began last Thursday, came to life following substantial institutional support for the underlying shares and attracted 223 calls with 156 done in the December 180s. Total contracts amounted to 2,504.

FINANCIAL TIMES STOCK INDICES

	Oct. 6	Oct. 5	Oct. 4	Oct. 3	Sept. 30	Sept. 29	year ago
Government Secs.	82.07	82.03	81.71	81.81	81.88	81.90	80.28
Fixed Interest	84.84	84.69	84.20	84.20	84.29	84.18	21.17
Industrial Ord.	711.4	707.0	708.2	703.7	702.0	692.7	099.4
Gold Mines	566.0	544.8	056.8	541.0	581.0	601.3	386.9
Ord. Div. Yield	4.72	4.74	4.70	4.70	4.70	4.78	4.70
Earnings, Yld.% (full)	P.32	P.43	2.40	P.46	R.46	2.01	10.53
P/E Ratio (net) (*)	10.34	13.28	13.32	10.20	12.84	13.17	11.08
Total bargains	20,45P	20,040	P1,05e	18,883	21,200	21,024	20,004
Equity turnover £m.	—	911.59	197.80	177.27	240.81	160.77	251.00
Equity bargains	—	13,844	10,784	16,841	19,544	13,180	17,982
Shares traded (ml)	—	146.3	148.0	119.7	133.0	186.4	147.1

10 am 711.7. 11 am 712.4. Noon 713.1. 1 pm 713.1. 2 pm 712.9. 3 pm 712.3.

Basis 100 Govt Secs. 15/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026

Nil = 12.54

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.50 (13/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.84 (6/10)	79.03 (1/2)	150.4 (28/11/47)	50.55 (6/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	704.7 (15/2)	551.0 (29/3)	734.7 (15/2/83)	43.3 (26/10/71)

S.E. ACTIVITY

	Oct. 3	Oct. 4
—Daily Gilt Edged Bargains	156.9	152.9
Equities Bargains	102.7	108.0
Value	427.7	399.8
5-day Avrge Gilt-Edged Bargains	145.0	143.9
Equities Bargains	109.1	100.5
Value	407.0	388.2

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (70)

BRITISH FUNDS (3)
Treas. 10½pc 1989; Treas. 12¼pc 1992; Treas. 9pc 1994

CORPORATION LOANS (1)
Herts. 6¼pc 1985/87

AMERICANS (6)
Brunswick Corp.; Tenneco; Cons. Foods; Do. 10pc Ln. '91/95; Florida Pwr. & Light

BREWERS (1)
Amal. Distilled Prods.

BUILDINGS (1)
McCarthy & Stone

CHEMICALS (2)
Bayer AG; Hoechst AG

STORES (3)
B'dman (K. O.) Int.; Ramar Textiles; Ellis & Goldstein

ELECTRICALS (5)
C.A.S.E.; Sound Diffusion; Microlease; Tunstall Telecom; Pressac

ENGINEERING (5)
Black & Decker; Planet Grp.; Braham Millar; Spear & Jackson Int.; Deritend Stamping

FOODS (6)
Assoc. Dairies; Do. A; Assoc. Fisheries; Dee Corp.; Cullen's Stores; Low (Wm.)

INDUSTRIALS (9)
Holt Lloyd Intl.; Sotheby's; Marley; Stonehill; Marling Inds.; Third Mile Inv.; Ozalid Fin. Cnv.; Wade Potteries; Restmor

MOTORS (2)
Solex A; Young (H.)

NEWSPAPERS (2)
Fleet Hldgs.; News Intl. Spec. Div.

PROPERTY (4)
Ests. Prop. Inv.; Walker (Alfred); Mountview Ests.; Wereldhave N.V.

SHIPPING (1)
Gotaas-Larsen

SHOES (1)
Lambert Howarth

TRUSTS (16)
Baillie Gifford Japan; New Tokyo Inv.; Caledonia Invs.; Rolinco Sub. Shs.; Crescent Japan; Rosedimond Cap.; Drayton Japan; Safeguard Indl.; Fleming Japanese; Akroyd & Smithers; G.T. Japan; Antofagasta 5pc Cum. Pref.; 'Inv. in Success'; Int. Inv. Tst. Jersey; Japan Assets; Investment Co.; Lake View; London & Lennox

OILS (1)
Offshore Oil

NEW LOWS (12)

BREWERS (1)
Boddingtons

BUILDINGS (2)
Jarvis (J.); Lovell (Y. J.)

STORES (1)
NSS Newsagents

ELECTRICALS (3)
Mnemos; Telefusion A N.V; Racal Elect.

INDUSTRIALS (3)
Beatson Clark; Wills (George); Silverthorne

TEXTILES (1)
Lowe (Robt. H.)

OILS (1)
Europa Pet.

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Atlan Comp N	17	245	—
Inprem (H.)	17	318	—
Shell Trans	18	582	−12
Ultramar	18	620	−27
BP (partly pd)	14	200	− 4
Thorn EMI	14	617	− 1
Lloyds Bank	12	467	−12
Unilever	12	848	+ 3
Britoil	11	220	−10
GEC	11	192	− 2
Glaxo	11	798	− 7
LASMO	11	283	− 4
RTZ	11	575	− 5
Royal Ins	11	312	− 3

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]							
210	Nil	—	11/11	00pm 15pm	Utd. Newspapers	28pm	+2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ⊕ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ☆ Effective issue price after scrip. † Formerly dealt in under special rule. ‡‡ Dealt in under Rule 163 (3).

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	62	13	26
Corpns. Dom. and Foreign Bonds	12	1	58
Industrials	277	174	929
Financial and Props.	114	57	348
Oils	27	35	31
Plantations	2	0	14
Mines	81	20	65
Others	66	57	57
Totals	640	362	1,548

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change
20C	236	+ 8
Bowater	208	− 6
British Aerospace	193	+ 6
GKN	164	+ 3
ICI	550	− 2
London Brick	94	—
Marley	75	+ 3
Plessey	222	− 2
Spear and Jackson	110	+ 8
Tesco	174	+ 8
Ultramar	625	+ 5
Young (H.)	60	+ 6

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sept 26	Oct 7	Dec 22	Jan 3
Oct 10	Oct 21	Jan 5	Jan 16
Oct 24	Nov 4	Jan 19	Jan 30

For rate indications see end of Share Information Service

Call options were taken out in London and Liverpool, Lasmo, Britoil, Thomas Borthwick, Premier Oil, Uniflex, Barratt Developments, LCP, Ladbroke, Braham Millar, Sterling Guarantee, North Kalgurli, Five Oaks, North British Properties and GRA. No puts or doubles were reported.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thurs Oct 6 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Oct 5 Index No.	Tues Oct 4 Index No.	Mon Oct 3 Index No.	Fri Sept 30 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (201)	[illegible]	+0.2	9.20	3.92	14.04	450.36	449.49	448.99	448.12	444.39
2	Building Materials (24)	[illegible]	+0.5	10.76	4.72	11.70	431.81	429.11	427.20	429.61	372.58
3	Contracting, Construction (29)	[illegible]	+0.4	13.21	5.07	9.50	698.49	685.48	686.45	692.19	672.21
4	Electricals (36)	[illegible]	−0.5	8.01	2.30	16.21	1662.91	1663.09	1654.58	1637.82	1902.38
5	Engineering, Contractors (10)	[illegible]	−0.6	15.23	6.41	8.14	435.56	436.66	441.24	443.91	452.81
6	Mechanical Engineering (59)	[illegible]	+0.7	12.42	5.81	10.00	192.08	192.58	193.92	194.74	196.58
8	Metals and Metal Forming (9)	[illegible]	+1.8	11.54	7.17	10.49	160.70	161.13	163.76	163.51	131.55
9	Motors (18)	113.72	+0.6	—	4.61	—	111.05	111.10	110.13	110.20	73.98
10	Other Industrial Materials (16)	[illegible]	+0.5	5.79	4.35	22.93	535.69	535.52	536.60	537.96	350.08
21	CONSUMER GROUP (198)	[illegible]	+0.5	10.42	4.45	11.75	435.96	434.46	434.39	434.46	303.58
22	Brewers and Distillers (23)	443.95	−0.1	12.62	5.14	9.90	444.22	447.85	445.19	442.19	421.46
25	Food Manufacturing (22)	343.44	+0.2	13.36	5.84	8.74	342.75	340.93	338.16	338.31	318.72
26	Food Retailing (13)	1004.29	+1.5	7.23	2.54	17.85	989.37	991.17	991.98	994.76	843.86
27	Health and Household Products (9)	750.34	+0.3	5.95	2.75	19.93	748.16	753.22	754.19	758.87	616.76
29	Leisure (23)	581.14	+0.2	8.69	4.67	14.89	580.26	579.90	577.88	573.71	441.87
32	Newspapers, Publishing (15)	954.63	+0.4	8.99	4.99	13.39	950.42	949.57	946.40	949.29	537.24
33	Packaging and Paper (14)	192.18	−0.7	10.68	5.37	11.54	193.63	193.18	190.46	189.76	143.53
34	Stores (47)	400.40	+0.8	8.08	3.80	16.73	397.32	396.08	394.30	394.65	354.05
35	Textiles (20)	207.05	—	12.19	5.59	9.79	207.10	207.27	209.61	208.98	171.44
36	Tobaccos (3)	437.07	+2.1	22.80	7.28	4.91	427.97	426.00	421.87	423.88	444.88
39	Other Consumer (9)	432.13	+0.7	5.89	4.83	—	429.18	425.65	426.36	425.11	292.40
41	OTHER GROUPS (86)	383.83	—	8.32	4.47	15.16	383.74	383.07	380.66	379.51	267.38
42	Chemicals (15)	541.54	+0.3	8.35	4.60	15.60	539.80	536.69	535.87	538.80	342.73
44	Office Equipment (6)	104.85	−1.4	9.15	4.90	13.95	106.33	107.34	107.92	107.11	101.75
45	Shipping and Transport (14)	753.45	+1.2	7.57	5.40	17.97	744.34	745.49	740.59	757.60	540.60
46	Miscellaneous (51)	506.95	−0.6	8.38	4.82	14.34	509.79	508.86	502.86	498.57	369.55
49	INDUSTRIAL GROUP (485)	438.56	+0.3	9.69	4.28	12.89	437.07	436.94	435.27	434.83	387.76
51	Oils (15)	981.67	—	11.47	6.08	10.59	981.98	1001.87	1006.86	1008.92	701.29
59	500 SHARE INDEX	484.12	+0.3	10.00	4.59	12.42	482.79	484.36	483.27	483.04	413.61
61	FINANCIAL GROUP (124)	325.36	+0.5	—	5.89	—	323.84	325.83	326.53	328.67	251.81
62	Banks (6)	334.96	+0.3	25.63	7.61	4.26	333.86	340.22	341.44	349.32	299.71
63	Discount Houses (8)	317.01	−0.3	—	8.54	—	318.09	317.76	316.84	316.89	291.19
65	Insurance (Life) (9)	451.98	+0.8	—	4.95	—	448.53	448.40	449.07	448.58	313.51
66	Insurance (Composite) (10)	222.13	+0.4	—	6.91	—	221.22	223.28	224.73	225.78	163.52
67	Insurance Brokers (7)	567.07	+1.0	11.97	5.12	11.45	561.45	551.63	558.94	552.04	546.92
68	Merchant Banks (12)	189.65	+0.4	—	4.90	—	188.89	188.77	189.28	189.35	143.75
69	Property (54)	462.30	+0.1	6.19	4.07	21.59	461.96	465.77	464.77	464.89	397.01
70	Other Financial (18)	240.53	+1.2	11.58	5.56	10.40	237.58	234.60	234.94	235.27	162.93
71	Investment Trusts (108)	442.51	+0.2	—	3.96	—	441.43	439.51	439.79	439.59	319.43
81	Mining Finance (4)	283.68	+0.2	9.77	5.15	12.52	283.13	285.86	283.96	295.25	214.80
91	Overseas Traders (14)	482.42	+0.5	7.43	7.77	28.66	481.29	480.48	484.58	486.33	360.41
99	ALL-SHARE INDEX (750)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Thurs. Oct 6	Day's change %	Wed Oct 5	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	[illegible]				
2	5-15 years	[illegible]				
3	Over 15 years	[illegible]				
4	Irredeemables	[illegible]				
5	All Stocks	[illegible]				
6	Debentures and Loans	[illegible]				
7	Preference	[illegible]				

	AVERAGE GROSS REDEMPTION YIELDS	Thurs Oct 6	Wed Oct 5	Year ago (approx)
	British Government			
1	Low Coupons 5 years	[illegible]		
2	15 years	[illegible]		
3	25 years	[illegible]		
4	Medium Coupons 5 years	[illegible]		
5	15 years	[illegible]		
6	25 years	[illegible]		
7	High Coupons 5 years	[illegible]		
8	15 years	[illegible]		
9	25 years	[illegible]		
10	Irredeemables	[illegible]		
11	Debs & Loans 5 years	[illegible]		
12	15 years	[illegible]		
13	25 years	[illegible]		
14	Preference	[illegible]		

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Last	Vol.	Last	Vol.	Last	Stock
[illegible]							

TOTAL VOLUME IN CONTRACTS: 24,192

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*498)						
360	68	80	—	1½	0	—
0P0	40	02	68	1½	0	2
420	10	28	38	0	P0	24
460	2	12	20	30	[illegible]	[illegible]
[illegible]						

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Group (*128)						
110	20	24	20	1	2	0
120	10	10	17	0	0	0
130	4⅛	7½	11	7	8	11
[illegible]						

Oct. 6. Total Contracts 3,504. Calls 1,790. Puts 714.
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
102½	100½	Exch. 13½pc '83	100½	–¼	13.45	9.37
100¼	98½	Exch. 10pc 1983	100½	......	9.99	9.07
99¼	96¼	Funding 5½pc '82-84‡‡	99½	......	5.55	8.58
101¼	99½	Exch. 11¼pc 1984	100⅝	+⅛	11.18	9.25
104¼	100½	Exchequer 14pc 1984	102⅞	......	13.68	9.82
95¾	92½	Exch. 3pc 1984	95½	–⅛	3.14	9.75
102½	100½	Treasury 12pc 1984	102¼	......	11.75	9.61
107½	104½	Treasury 15pc 1985	105½	–⅛	14.19	10.37
107	101½	Exch. 12pc Cnv. '85	102½	–⅛	11.70	10.06
92⅞	88⅝	Treasury 3pc 1985	92	–⅛	3.26	8.36
102½	98⅛	Treasury 11½pc 1985	102½	......	11.25	10.06
102	95	Treas 8¾pc Cnv '85	98½	–⅛	8.91	9.78
103⅝	100⅜	Exch. 12¼pc 1985	103¼	......	11.87	10.45
102⅝	[illegible]	Exch. 11¼pc '86	102½	–⅛	11.48	10.58
101⅛	97¼	Treas 10pc Cnv 1986	99⅞	......	10.01	10.04
88½	85⅝	Treasury 3pc 1986	87⅞	–⅛	1.43	8.47
101½	97½	Exch. 10½pc Cv '86	99½	–⅛	10.52	10.56
103½	100½	Treasury 12pc '86	102½	–⅛	11.70	10.83
95⅞	94⅞	Treasury 8¼pc '84-86‡‡	95⅝	+⅛	8.89	10.35
114	103¼	Treas. 12¼pc '86 Cnv.	108¼	+½	11.26	8.59
109½	105½	Exch. 14pc 1986	107⅞xd	+⅛	12.98	10.91
107¼	103⅝	Exch. 13¼pc 1987	106	......	12.50	10.98
98½	95⅞	Tr 10¼pc Cv '87	98½	–⅛	10.40	10.70
84½	80¼	Exchequer 2½pc 1987	81½	......	3.06	8.87
100½	95⅞	Exch. 10½pc 1987	98⅞xd	+⅛	10.62	10.89
93¼	85¼	Funding 6½pc '85-87‡‡	89½xd	+⅛	7.26	10.09
21½	20	Treas 10pc '87 (£20pd)	20½	......	10.25	10.82
86	80¼	Treasury 3pc 1987	81½	......	3.68	8.87
104⅝	99⅞	Treas 12pc 1987	103½xd	+⅛	11.62	10.98
93¼	89⅞	Treasury 7¾pc '85-88‡‡	90½	+⅛	8.36	10.51
101½	95½	Exch 10½pc '88	98½	......	10.63	10.86
30¼	30	Treas 9¾pc Cv '88 (£30pd)	30⅛	......	10.09	10.68
81½	75¼	Transport 3pc '78-88	77½xd	+⅛	3.86	8.86

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
96¾	90¼	Treas. 9½pc '88	94½xd	+⅛	10.04	10.92
104⅝	95¼	Treasury 11½pc 1989	102¾	+¼	11.35	11.15
101¼	94¼	Treas 10½pc 1989	101¼	+¼	10.41	11.16
83¾	76	Treasury 5pc '86-89	79¾xd	+¼	6.26	9.46
112½	103	Treasury 13pc 1990‡‡	110⅞	+¼	12.05	11.19
108¾	100⅞	Exch. 12½pc 1990	106⅛	+¼	11.81	11.28
92	86¼	Treasury 8¼pc '87-90‡‡	91¾	+⅛	9.25	10.53
106¼	97	Treasury 11¾pc 1991	105⅛	+⅛	11.49	11.26
83	74⅝	Funding 5¾pc '87-91‡‡	78¾	+¼	7.30	9.83
103	95⅞	Exch. 11pc 1991	99⅞xd	+¼	11.04	11.06
114⅝	102	Treasury 12¾pc '92‡‡	111⅛	+¼	11.76	11.14
99⅝	88¼	Treasury 10pc 1992	97⅝	+⅛	10.38	10.65
110¼	98½	Exch. 12¼pc '92	107¼	+¼	11.58	11.19
116	106½	Exchequer 13½pc '92	112½	+¼	12.06	11.33
113¼	101¼	Treasury 12½pc '93‡‡	110¼	+¼	11.59	11.14
79⅝	71	Funding 6pc 1993‡‡	76⅞	+¼	7.89	9.83
120¼	110½	Treasury 13¾pc 1993‡‡	120	+¼	11.97	11.24
125¾	112⅞	Treasury 14½pc '94‡‡	121½	+½	12.09	11.20
117⅞	109⅝	Exchequer 13½pc 1994	113xd	+¼	11.87	11.25
113⅞	100½	Exch. 12½pc 1994	109⅞	+¼	11.54	11.15
94½	86¼	Treasury 9pc '94‡‡	94½	+⅛	9.89	10.38
112	98	Treasury 12pc '95	107¼	+⅛	11.39	11.14
65¼	61½	Gas 3pc '90/95	64xd	+¼	4.67	7.74
101¾	88¼	Exch. 10¼pc 1995	98⅛	+⅛	10.48	10.85
116⅛	106⅛	Treasury 12¾pc '95‡‡	116⅜	+⅛	11.45	11.02
126⅛	110	Treas. 14pc '96	121	+¼	11.86	11.27
93¾	83¾	Treasury 9pc '92/96‡‡	91	+⅛	9.95	10.38
133¾	121¾	Treasury 15¼pc '96‡‡	126½xd	+⅛	11.98	11.18
121⅛	109¼	Exchequer 13¼pc '96‡‡	120¼	+⅛	11.54	11.03
69⅛	58	Redemption 3pc 1986-96	69½	......	4.32	6.52
123⅝	107	Treasury 13¼pc '97‡‡	118¼	+⅛	11.49	11.01
103⅞	89½	Exchequer 10½pc 1997	99½	......	10.70	10.75
92	80½	Treasury 8¾pc 1997‡‡	88⅞	+⅛	9.94	10.39
131⅛	120¼	Exch. 15pc 1997	125¾xd	+¼	11.89	11.25
78⅞	69½	Treasury 6¾pc '95-98‡‡	74½xd	+⅛	8.98	10.03
137⅞	124¼	Treas. 15½pc '98‡‡	131⅛	+⅛	11.85	11.20

Over Fifteen Years

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
124½	101	Exch. 12pc 1998	112½	+⅛	11.12	10.91
98	86¼	Treasury 9½pc 1999‡‡	95⅞	+⅛	10.19	10.39
115⅝	103¼	Exch. 12¼pc 1999	110⅛	+⅛	11.14	10.90
104⅛	92¼	Treasury 10½pc 1999	103¼	+⅛	10.60	10.61
123	106	Treas. 13pc 2000	119⅞	+⅛	11.17	10.85
128⅞	113¼	Treas. 14pc '98-01	126⅛	+⅛	11.59	11.08
116¾	99¼	Exch. 12pc '99-02	111½	+⅛	11.03	10.79
130	111	Treas. 13¾pc 2000-03	124½	+⅛	11.30	10.89
113⅝	99¼	Treasury 11½pc '01-04	108¼	+⅛	10.67	10.51
50	43½	Funding 3½pc '99-04	49	......	7.26	9.09
122⅛	106½	Treasury 12½pc '03-05	120½	......	10.80	10.58
87½	77¼	Treasury 8pc '02-06‡‡	83⅝xd	+⅛	9.68	9.84
117⅞	99	Treasury 11¾pc 03-07	112⅞	+⅛	10.69	10.53
129¾	115	Treas. 13½pc '04-08	124⅞	+⅛	10.89	10.61
65½	53¾	Treasury 5½pc '08-12‡‡	62¼	......	8.89	9.33
87¼	71⅞	Treasury 7¾pc '12-15‡‡	82¼	+⅛	9.53	9.64
122⅞	106¼	Exch. 12pc '13-'17	121⅞	+⅛	10.17	10.08

Undated

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
42	35¼	Consols 4pc	40¼	......	10.12	—
37½	31¼	War Loan 3½pc‡‡	36¼	......	9.85	—
47¼	37½	Conv. 3½pc '61 Aft.	47¼	......	7.42	—
32	28¼	Treasury 3pc 66 Aft.	30	......	10.01	—
25¼	22⅞	Consols 2½pc	25	......	10.01	—
25⅞	22⅞	Treasury 2½pc	24¾	......	10.12	—

Index-Linked

1983 High	Low	Stock	Price £	+ or –	(1)	(2)
106	98½	Treas. 2pc I.L. '88	103½	......	2.87	3.27
111¼	99⅞	Do. 2pc I.L. '96	104⅞	......	3.18	3.30
98	91½	Do. 2½pc Cnv '99	97⅛	–⅛	2.66	2.83
103⅞	93¼	Do. 2½pc I.L. 2001	96⅞	+⅛	3.02	3.11
104	91¼	Do. 2½pc I.L. 2003	96½	+⅛	2.93	3.09
107½	94⅞	Do. 2pc I.L. 2006	99⅛	+¼	2.89	3.20
109½	91⅞	Do. 2½pc I.L. 2009	96¼	+⅛	2.87	3.00
109½	97	Do. 2½pc I.L. 2011	101¼	+¼	2.85	2.95
100¼	88¼	Do 2½pc I.L. 2016	92⅞	–⅛	2.79	2.89

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
120	102½	Australia 13½pc 2010	115¼	......	11.98	11.90
120	85	Euro Inv Bk 11pc Ln 2002	95¾xd	+¼	11.54	11.62
107¼	103½	Finland 14½pc Ln 1986	106¼	+⅛	13.63	11.63
104¼	90¼	Int-Am Dev Bk 12½pc 2003	103¼	......	12.47	12.45
106½	102½	Int. Bank 13½pc 1986	104¼xd	......	12.89	11.29
108¾	104¾	Do. 14pcLn 1987	107½	......	15.02	11.93
101½	96½	Mlysia 12¼pc Ln '88 £30	100¼	+¼	12.22	12.17
97½	77¾	Mex 16½pc 2008	96½xd	......	17.33	17.35
[illegible]						

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

LOANS—continued

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
23	9¼	Keep Trust 5p	12	.....	†0.15	—	‡	—
210	140	Kelsey Inds.	185	.....	8.0	1.7	6.2	12.7
155	110	Kershaw (A.) 5p	125	−15	‡15.0	0.6	‡	(0.0)
80	39	Kleen-E-Ze Hldgs.	80	.....	3.0	ф	5.4	ф
101	52	L.C.P. Hlds	93	+2	3.6	1.2	5.5	(21.0)
12	14	LOH Group	27	.....	—	—	—	—
112	93	L.R.C. Int. 10p	109	.....	h2.95	2.3	3.9	14.2
34	17	Lamont Hldgs. 10p	34	.....	†1.3	1.8	5.5	13.2
40	26	Lawtex	33	.....	—	—	—	—
480	345	Lep Group 10p	470	.....	17.5	0.3	5.3	65.2
36	22	Lilleshall 10p	34	.....	d1.0	—	4.2	—
350	42	Lon. & Liv. 10p	52	+2	h2.75	3.5	7.6	4.7
135	97	London & Mid'd	110xr	+2	7.75	1.1	10.1	12.3
*110½	38	Lon. & Nthn. Grp.	70	+1	F4.2	ф	0.6	9.9
40	23	‡Lon. Priv. Health	26	−1	—	—	—	13.8
65	46	Longton Inds.	60	.....	1.0	—	2.4	—
120	70	Low & Bonar 50p	114	.....	†5.0	2.8	6.4	(6.3)
48	32½	MCD Group	45	.....	d1.0	2.2	3.2	20.5
87	62	MMT Computing 5p	80	.....	b1.68	2.6	3.0	18.4
26	16	M.Y. Dart. 10p	24	+1	0.1	—	0.6	—
212	134	M'c'rthy Ph. 20p	153	+3	7.0	2.7	6.5	7.2
148	128	Macfarlane Gp.	145	+1	†3.52	2.1	3.5	17.7
46	33	Maclellan 20p	34xd	.....	d1.5	1.6	6.3	12.2
63	42	Macpherson (D.)	42½	+½	4.2	0.6	14.1	(35.1)
56	41	Magnolia Group	54½	.....	2.3	3.2	6.0	6.4
180	65	Man. Ship Can. £1	198	+1	3.5	6.8	3.7	4.2
75	48	Marley	75	+3	†2.5	0.5	4.8	(71.0)
45½	30½	Marling Ind. 10p	45½	+½	1.08	1.7	3.4	(31.5)
34	25	Marshall L'xy. 'A'	25	.....	‡1.2	—	‡	—

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	19	.....	—	—	—
52	32	Allstate Expln NL	42	−2	—	—	—
40	9	♥Australis Mng. NL	26	−1	—	—	—
25	11	Balmoral Resources	19	.....	—	—	—
60	37	♥Black Hill Mins.	45	+1	—	—	—
85	51	♥Bond Corp	79	−1	Q10c	ф	7.6
183	116	♥Bougainville 1 Kina	146	.....	Q3.42c	1.2	1.4

[illegible]

Tins

[illegible]

Miscellaneous

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
170	55	Admiral Mines	60	−10	—	—	—
90	34	♥Anglo-Dominion	65	.....	—	—	—
93	54	♥Anglo Utd. Dev.	72	−1	—	—	—
172	60	♥Colby Res Corp.	150	.....	—	—	—
530	315	Cons. Murch. 10c.	460	.....	‡Q60c	1.9	‡
240	170	Hampton Areas 10p	222	.....	3.75	2.1	2.3
215	103	♥Highwood Res.	195	+5	—	—	—
£24½	£18	Homestake Mining $1	£19¾	+¼	Q20c	—	0.7
495	325	Northgate C$1	325	.....	—	—	—
672	437	R.T.Z.	575	.....	t17.0	2.9	4.3
£147½	£108	Do.9½%CaUnLn'95-2000	£130	+1½	Q9½%	32.5	†7.5
190	13	♥Sabina Inds C$1	78	−2	—	—	—
		For Southwest Res see Oil & Gas					
750	312	♥Tara Expln $1	700	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ф Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♣ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ∎ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 30

[illegible]

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man. Fd.		233.44	+2.05	—
Managed Inv. Fd.	157.35	165.64	+0.50	—
Property Fd	151.07	159.03	+0.81	—
Fixed Interest Fd.	247.34	254.09	+5.82	—
Cash Fd.	135.95	145.13	+0.58	—
Income Fd.	171.47	180.50	-1.09	—
Extra Income Fd.	162.17	170.71	-0.79	—
Worldwide Growth Fd.	231.62	243.83	+2.19	—
Balanced Fd.	172.42	181.50	-0.84	—
Smlr Co's & Recv. Fd	203.25	273.95	-4.51	—
Int. Technology Fd	270.97	285.24	+0.76	—
Nth. Amer. & Gen. Fd.	160.18	179.14	+5.77	—
Energy Int. Fd.	107.69	113.36	-0.24	—
Pacific Basin Fund	132.41	139.38	+7.01	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	112.1	118.0	...	—
Property	107.0	112.7	...	—
Equity	114.3	120.3	...	—
International	128.8	135.5	...	—
Fixed Interest	101.4	106.7	...	—
Deposit	99.0	104.2	...	—
Managed Pen. Cap.	113.1	119.0	...	—
Property Pens. Cap.	106.2	111.8	...	—
Equity Pens. Cap.	109.2	114.9	...	—
Intnl. Pens. Cap.	135.4	142.5	...	—
Fixed Int. Pens. Cap.	99.3	104.5	...	—
Deposit Pens. Cap.	97.1	102.2	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P Bar 51122

Equity Gth Sept 29		94.5	...	—
Rtmt. Fed. Aug 6		256.4	...	—
Managed Pen Fund	180.4	189.9	...	—
Property Pen Fund	113.7	119.7	...	—
Index Lnkd Pen Fund	111.1	117.0	...	—
Managed	121.6	128.0	+0.1	—
Property	103.4	109.4	...	—
Gilt and Fixed Interest	105.7	111.3	...	—
Index-Linked	97.6	102.8	+0.7	—
Equity	119.4	125.7	+0.6	—
Cash	103.3	108.7	...	—
Midland Bk. Unit Tst.	117.8	124.0	+0.1	—
Midland Bank Intnl.	140.4	147.8	-0.2	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£37.98	—	[illegible]	—
Property Units	£17.38	—	[illegible]	—
Equity Bond/Exec.	£24.70	26.[illegible]	[illegible]	—

G.T. Management Ltd.
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	124.3	130.9	+0.3	—
GT Pln High Yld Fnd	116.6	122.8		—
GT Plan Far East Fnd	115.6	121.7		—
GT Pln N Am Fund	144.0	151.6		—
GT Pln UK&G.E. Fnd	130.5	137.4	-0.1	—
GT Pln Wrldwde Fnd	136.0	143.2		—
GT Pension Bnd Fnd	133.1	140.2	+0.2	—
GT Pen High Yld Fd	132.9	139.9		—
GT Pen Far East Fd	140.9	148.4		—
GT Pen N. Am. Fd.	211.8	223.0		—
GT Pen UK & G.E. Fd	151.5	159.5		—
GT Pen Worldwide Fd.	145.2	152.9		—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	166.9	175.7		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc		249.3		—
Portfolio Fd. Init.		206.7		—
Portfolio Fd. Cap.		238.3		—
Investment Auts.	249.2	262.4		—

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth 0202 767655

Managed Fd.	272.3	286.9	+1.5	—
Money Fd	154.9	163.1	+0.1	—
Equity Fd.	232.9	245.4	+1.6	—
Fixed Int. Fd.	117.1	123.4	+0.5	—
Property Fd	171.0	180.2		—
Managed Pen. Fd.	248.0	261.3		—
Equity Pension Fd	185.4	195.4		—
Fixed Int. Pen. Fd	163.5	172.3		—
High Yield Pen. Fd	161.1	169.8		—
Money Pension Fd	127.3	134.0		—
Property Pension Fd	126.9	133.7		—
Gresham/Framlington				
American & Gen. Fd.	263.3	277.4	+0.2	—
Income Fd	188.6	198.3	+0.5	—
Int'l. Growth Fd	277.3	292.2	+0.6	—
Capital Fund	192.1	202.4	+0.3	—
Recovery Fund	146.2	154.1	..	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	£1,526	284.8	..	—
Landbank Secs.	66.15	162.8	..	—
Landbank Secs. Acc.	185.6	190.4	..	—
G. & S. Super Fd.	£11.376	122.5	..	—

Lloyds Life Assurance—cont.

Gartmore Funds—Series A

American Oct 4	176.5	185.9		—
British Oct 4	128.6	135.4		—
Commodity Oct 4	125.1	131.7		—
Extra Inc. Oct 4	115.2	121.3		—
Far Eastern Oct 4	95.5	100.6		—
High Inc Oct 4	109.0	115.6		—
Income Oct 4	141.4	148.9		—
Global Strategy Oct 4	167.9	176.8		—
Special Sits Oct 4	132.1	139.1		—
Gilt Oct 4	106.5	112.2		—
Japan Oct 4	158.5	166.9		—
UK Small Co's Oct 4	114.6	120.7		—
Man Gwth Oct 4	150.0	157.9		—
Austrln. Oct 4	120.3	126.7		—
Oil & Energy Oct 4	122.1	128.6		—
Gold Share Oct 4	79.6	83.8		—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	65.1	69.0	-0.3	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Oct. 1	61.0	65.8	...	—
MU Flexible Oct 6	52.3	55.2		—
Fixed Interest Oct 1	54.7	57.7	.	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	291.6	—	+0.8	—
Invest Tst. Fd. Acc.	308.4	—	+0.9	-12.4
Property Fund Cap	117.4	—		—
Property Fund Acc.	123.8	—		-4.6
Flexible Fund Cap.	181.5	—	+0.1	—
Flexible Fund Acc.	191.4	—		-4.4
Fixed Int. Fd. Cap.	140.3	—	+0.5	—
Fixed Int. Fd. Acc.	148.2	—	+0.6	—
Gtd. Deposit Fd. Cap.	139.0	—	+0.1	—
Gtd. Deposit Fd. Acc.	145.6	—	+0.1	—
Equity Fund Cap.	130.6	—	+0.5	—
Equity Fund Acc.	137.3	—	-0.5	—
International Fd. Cap	141.2	—	+1.1	—
International Fd. Acc.	148.5	—	+1.2	—
Capital Gwth. Fd.	419.7	—	-1.1	—
Moneymaker Fund	160.3	—	+0.1	—
Exempt Inv Tst Cap	405.9	—	+2.1	—
Exempt Inv Tst Acc	422.8	—	+2.2	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		288.2		—
Property Fund (A)		280.3		—
Agricultural Fund		1,111.3		—
Agric. Fund (A)		1,082.2		—
Abbey Nat. Fund		227.9		—
Abbey Nat. Fd. (A)		228.9		—
Investment Fund		138.7		—
Investment Fund (A)		136.3		—
Equity Fund		414.0	+2.3	—
Equity Fund (A)		406.2	+2.3	—
Money Fund		215.6		—
Money Fund (A)		212.7		—
Actuarial Fund		218.6		—
Gilt-edged Fund		191.0	+0.1	—
Gilt-Edged Fd. (A)	191.0		+0.[illegible]	—
Retire Annuity		354.0		—
Immed Ann'ty		193.0		—
International Fd.		287.5		—
Bldg. Soc. Life Fd.		104.5		—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	247.0	260.0	...	—
Inv. Fd. Uts.		294.5		—
Pension Fd. Uts.		252.7		—
Conv. Pens. Fd.		291.7		—
Cnv. Pns. Cap. Ut.		218.5		—
Man. Pens. Fd.		330.7		—
Man. Pens. Cap. Ut.		257.7		—
Prop Pens Fd.		281.8		—
Prop Pens Cap.Uts.		213.7		—
Bldg. Soc. Pen. Ut.		253.5		—
Bldg. Soc. Cap. Ut.		195.1		—
Gilts Pens. Fd.		169.0	+0.2	—
Gilts Pens. Fd. Cap.		148.1	+0.2	—
Equity Pens. Fd.		252.7	+1.3	—
Equity Pens Fd. Cap.		221.5	+1.0	+3.2

Providence Capitol Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	105.7	111.6	...	—
Fixed Interest Acc.	92.6	97.7	...	—
Intnl. Acc.	82.0	86.5	...	—
Managed Acc.	91.8	96.8	...	—
Property Acc.	112.8	118.6	...	—
Money Acc.	74.2	78.3	...	—
Special Market Acc.	66.7	70.4	...	—
Japan Acc	63.3	66.8	...	—
North America Acc.	73.6	77.7	...	—
Pacific Acc.	51.0	53.9	...	—
Technology Acc.	70.5	74.4	...	—
Nat. Resources Acc.	55.5	58.6	...	—

Individual Pension Funds

Equity Acc.	95.1	100.4	...	—

...

Japanese Yen	Y7,556	—	+1.0	7,554
Sterling	£18.10	—		—
Swiss Franc	SF75.27	—	+0.01	—
U.S.	30.34	—	+0.04	—

Wardley Investment Services Ltd.
[illegible] Floor, Hutchison House, Hong Kong

Wardley Trust	$5.54	5.87	...	2.39
Wardley Bikko As. Fd	$22.43	15.51	.	6.38
Wardley Bond Trust	$10.60	10.80		8.61
Wardley Japan Trust	$26.66	27.63		0.54

WestAven Secs (Guernsey) Ltd
[illegible] Box 214, St Peter Port, Guernsey 0481 27768

[illegible] & Option Fd	£1.10	1.15	...	2.50
US $ Option	$1.01	1.06	.	—

World Wide Growth Managementφ
10a, Boulevard Royal, Luxembourg

Worldwide Gilt Fd		$12.70		—

Inv Adv M & G. Inv. Mngt. Ltd. London

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Wren Com. Fund	24.6	25.6	...	—
Chinese Fund	65.9	68.7		—
Precious Metal Fund	120.3	125.3		—
Vanguard Cmdy Fd	37.1	38.1	..	—
Financial Futures Fd	76.4	79.6		—
Wren Intl Fnd	$0.560	6.583		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. φ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ∮ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Consumers call for action on milk lake

BY OUR COMMODITIES STAFF

DRASTIC ACTION is required to halt the growth in the EEC milk lake and hutter mountain, the European Community Group —an umbrella organisatioo for UK consumer interests — said yesterday.

It said the only effective way to curb milk supplies was to reduce support prices for farmers, or at the vey least to freeze support levels for s significant time.

The group said the European Commission's latest proposals for a "super levy" oo excess milk production would have little effect on the growing surplus, and would simply put up milk prices to consumers.

It noted that the EEC already produced 20 per cent more milk than it needed. The trend towards more intensive farming meant each cow was producing far more milk than ever.

In 1960 the average cow produced 5,127 pints a year. By 1980 this bod rise to 7,100 pints. The sverage Dutch cow now produces 8,545 pints a year, almost double the output of Its Greek counterpart.

"So if the trend to higher yields contioues and the less productive countries catch up, Europe's dairy surplus will go on growing, while consumption is virtually static," the group said.

It said that by 1989 the EEC could have a 25 per cent surplus. At present about 18p of every pound sterling the Community spent weot oo the dairy sector. Each Community cow cost Europe's taxpayers an average £98 last year.

Record cocoa crop from Bahia state expected

RIO DE JANEIRO — Cocoa output from the State of Bahia, which produces more than 90 per cent of Brazilian cocoa, is expected to be a record of at least 5.5m 60-kilo bags in the 1983-84 crop year ending April 30, the private trade said, reports Reuter.

Rains in the cocoa zooe last week have improved prospects for the main crop which was beginning to suffer from a long dry spell. The previous record output was 5.39m bags, in 1979-80.

The sources said figures to be released this week by the Cocoa Farm Recovery Plan Commissioo (Ceplac) would sbow the Temporao crop, which ended oo September 30, totalled 3.16m to 3.17m bags, very close to the record 1982-83 Temporao production of 3.17m bags.

The main crop, however, will be much higher at 2.4m to 2.7m bags, because of new plantations coming into production, increased yields from maturing trees and good flowering. The 1982-83 main crop was 2.11m bags.

Heavy rains and strong winds last week brought some reports of scattered damage to trees but private industry said that if there was any such damage It would bave little significant effect on total production.

Some traders, however, said that roads and bridges were affected by rains, causing a deceleration in bean arrivals to iodustries and exporters. Arrivals fell to 161,695 bags in the week to October 2, from 239,389 in the previous week.

Law sought to ban straw burning

STRAW- AND stuhble-burning should be banned by law says the Countryside Commission. It yesterday withdrew support for the voluntary code oo burning. This, it says, has failed.

The commission will advise the Government that burning be phased out over three years. It said it regretted making this move but that this year the code bad been widely Ignored or inadeqoately implemented and there had been massive damage to landscape features and pollutioo by smoke and debris.

● **COFFEE ACCORD** members of the International Coffee Agreement in force from October 1 number the same as the 1976 pact membership. The UN said 47 exporting and 25 importing states ratified or accepted the pact or stated their intention to apply It provisionally. Austria is a *de facto* member pending formal ratification.

● **PALM OIL'S** low prices, which have caused a Japanese-Malaysian palm oil venture to lose money, are expected to cause Nippon Oil & Fats to withdraw from Malaysia International Palm Oil Industries.

● **FOODGRAIN** production by India in the 1983-84 season ending in June is unlikely to exceed the 142m tonne total target in spite of good monsoon rains, the Indian Government said.

● **CANADA's PRAIRIE** crop for 1983 is estimated to be 41.2m tonnes, down from the August estimate of 42.3m and well below last year's record 46.7m tonnes, United Graio Growers said.

● **CARDAMON** trade from India is being hit by drought and falling exports. Guatemala is fast replacing India oo the world market, to which they are the largest suppliers, exporters said in Coonoor, India. The Middle East is a major market.

John Cherrington on OECD's view of Soviet farming prospects

No secrets obstruct steps forward

THE Soviet Unioo's purchases of grain, which in recent years have varied between 35m and 43m tonnes, could well fall to 10m tonnes by 1990 if Government plans for Increased grain and meat productioo are realised.

Instead of today's estimated productioo of 200m tonnes of grains and 16.2m tonnes of meat, outpot by theo is envisaged to rise to 250m and 18m tonnes respectively.

This is the opinion in a receotly-published report from the Organisation for Economic Co-operation and Development. The report is, however, qualified by an account of the difficulties facing the authorities in improving the efficiency and structure of Soviet agriculture. Unless these can be overcome, progress is likely to be much slower than the authorities know to be urgently necessary.

This is because the Soviet people's slowly rising standards demand more meat. Consumptioo is still below that in other Eastern bloc countries and, at 57 kilos per head per year, well below that in Western countries.

The supply of wheat in the Soviet Union is ample for human consumption needs. Even the present production of feed grains would probably be sufficient far a greatly increased output of meat were it not for the appalling inefficiency of all sectors of livestock productioo.

The conversion rates for turning cereals into meat are oo average nearly double those oo European and U.S. farms. T bere are, it is true, examples of Soviet farms which do achieve rates close to the European best. These, however, are rare exceptions.

Grain-production standards, in relation to those in comparable regions of the U.S. and Canada, are not out of line so much. Soviet farming is, however, plagued with shortages of everything, from fertilisers and irrigation equipment to machinery and storage.

Poor storage and handling are the cause of substantial losses and it is generally supposed that abont 15 per cent of every crop is lost in this way. The loss oo this year's harvest of abont 200m tonnes would amount to 30m tonnes.

The Soviet Government is increasing storage and transport facilities for grain as fast as It is able. That this is within its power can be ohown by its handling of large quantities of grain and meat imports since the mid-1970s for which no provision used to exist. In fact, the Soviet Union used to be a net exporter.

The report doubts, though, if the bighly-sophisticated systems needed for processing and storing meat and other perishshle products are as far advanced.

This report must be of vital interest to the West's farming economics. The Soviet Unioo has been buying a sizeable proportion of the world's grain at world prices. There is an important distinction between exports to the Soviet Union and the subsidised sales to developing and other needy countries.

Should the Soviet Unioo find the means to cut its purchases substantially, or even end them, it could cause a crisis for world exporters of agriculture.

There could be other repercussions. Being forced to speod foreign exchange on food has meant immense pressure to seek and sell oil, gas and precious metsls to find the money.

The report is sceptical about the ability of the Soviet system to produce Its targeted food production by the end of the decade. His assumption, however, could be a cause of dangerout complacency in those countries which depeod to an extent on exports to the Soviet market. The Soviet Union already has n sufficiency of grain which if properly used could meet lus food oeeds.

For example, the EEC, with a total cereal and cereal-substitute availability of 150m tonnes, manages both to feed an approximately comparable population and to export a sizeable surplus of almost every animal food product.

There are oo classified secrets in this. Informatiaon on hreeding ood feeding is available in every booksbop. It is certainly known in the Soviet Union. It is certain lo be opplied bere before too long.

Prospects for Soviet Agricultural Production and Trade; *OECD, Paris; Stationery Office.*

Doubling of India's tea production planned

INDIA'S state-owned Tea Board plans to spend several millioo rupees over the next 15 years almost to donble annual tea productioo to oearly 1bo kilos by the year 2000, Commerce Ministry officials said.

They said the plan was likely to be put into effect either oext year or in 1985. It foresees domestic consumption rising in 2000 to 530m kilos from 350m now, and exports increasing to 420m from 220m now.

Tea officials, who attended a planters' confereoce in Coonoor, India, last mooth, said that unless something was dooe Indio might soon have no surplus tea to export because domestic productioo was not keeping np with demaod. They said home consumption was rising by 6 per cent a year.

Tea ootput, bowever, bas remained stagnant at about 560m kilos s year and traders were diverting exportable tea to the buoyant domestic market, the Uulted Planters Association of South India (Upasi) said.

The officials said the domestic tea-drinking boom threateoed India's position as the world's largest producer and exporter of tea. The Tea Board's productioo plan was discussed at the Coonor conference.

Commerce Ministry officials said plsns to expand tea-growing areas were beiog discussed with planters, exporters and traders. They called for and additiooal 55,000 hectares under tea, with an average investment of Rs 600m a year until 2000.

Details of how to finance the plan were being worked oot, the officiols said, adding that most of the proposed investment would hsve to come from within the industry.

If the plan succeeded, it would help India retain Its current28 per cent share in the world market, a ministry official said.

Planters, bowever, sald the plan was ambitious and the Indian Governmcot must modify its policies to implement It.

Mr Appaya, president of Upasi, said there was land on which tea plantations could be extended but the areas could not be used to grow tea because of restrictive land and forest legislotion.

Planters sald Indlan tea faces tough competitioo oo the world market as some new tea-producing countries dump inferior tea and depress prices.

India is trying for an international tea agreement among major producers with the aim of stabllising prices through export quotas and buffer stocks.

U.S. futures commission fee troubles exchanges

By Nancy Dunne in Washington

A NEW $10,000 (£6,755) fee charged by the Commodity Futures Trading Commission (CFTC) for each opplication for new contract markets is forcing the exchangeo to think seriously about proposed contracts.

When faced with paying the bill for the time commission staff must spend examining and processing contract proposals the exchanges decided that many were not so attractive after all. A total 28 applications were withdrawn from consideration.

Chicago Board of Trade (CBT) changed its mind on 13 contracts, including two Dow Jones sub-indices, six commodity indices and five economic indices — automobile, electric utilities, retail, finance, and food and beverage.

Mid-America Exchange is dropping 11 contracts, including consumer and price index hedges, London Gold six, including gold coins and long-term Treasury notes.

Chicago Mercantile Exchange, New York Futures Exchange and Chicago Board Auctions Exchange are all dropping various equity index and sub-index proposals.

This leaves the commission with 27 new contract applications pending—four agriculturals, two interest rate, six metals and energy, and 15 indices.

Mid-America Exchange now has five proposals uoder commission study—soyabean meal, live hogs, copper and platinum.

Comex has an aluminium futures proposal. CBT is proposing two Treasury repurchase agreemeots hedges and six indices. Coffee, Sugar and Cocoa Exchange is still planning to introduce four Indices based on economic activity.

PRICE CHANGES

LONDON OIL SPOT PRICES

GOLD MARKETS

EUROPEAN MARKETS

BRITISH COMMODITY MARKETS

BASE METALS

GAS OIL FUTURES

LONDON FUTURES

SILVER

COPPER

TIN

LEAD

ZINC

ALUMINIUM

NICKEL

COCOA

COFFEE

GRAINS

POTATOES

MEAT/FISH

RUBBER

SOYABEAN MEAL

SUGAR

WOOL FUTURES

COTTON

INDICES

AMERICAN MARKETS

NEW YORK

CHICAGO

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weak on U.S. selling

The dollar paused for breath in early European trading as dealers tried to sum up the implications of a possible default on its debts by Argentina, against falling U.S. interest rates and expectations of a $1bn fall in M1 money supply this week. U.S. traders were sellers of the dollar on Wednesday, but Far East markets appeared wary of continuing the trend following speculation about a possible cut in the Bank of Japan discount rate. Despite the temptation to shelter behind the dollar, in the event of an international banking crisis, London dealers were still looking for a weaker U.S. unit and were therefore not surprised when New York and Chicago once again pushed the currency down, resulting in further sharp falls after London finished trading.

Sterling moved in a narrow range, but was firmer against the weak dollar, while losing ground to the D-mark, which remains supported by expectations that excess German money supply growth will keep Frankfurt interest rates firm.

DOLLAR — Trade-weighted index (Bank of England) 125.7 against 122.0 six months ago. The dollar has retreated from the peaks touched in August, amid growing hopes that a sustained fall may be imminent following several weeks of good U.S. M1 money supply figures. An easing of Federal Reserve monetary policy, leading to lower U.S. interest rates, has been anticipated for some time, but previous disappointments will encourage some caution.

The dollar fell to DM 2.5785 from DM 2.60 against the D-mark; FFr 7.9210 from FFr 7.9450 against the French franc; SwFr 2.0935 from SwFr 2.1080 in terms of the Swiss franc; and Y232.25 from Y233.25 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. September average 1.4991. Trade-weighted index 82.8, against 82.8 at noon, 83.0 in the morning, 82.6 at the previous close, and 80.9 six months ago. The pound has tended to weaken recently, although the decline against Continental currencies is probably welcomed, and has not prevented the long awaited cut of ½ per cent in London clearing bank base rates.

Sterling traded within a narrow range of $1.4890 to $1.4940. It opened at $1.4905-1.4915, and closed at $1.4920-1.4930, a rise of 60 points on the day. The pound showed small mixed changes against other currencies, falling to DM 3.85 from DM 3.8675, and to SwFr 3.1275 from SwFr 3.13, but holding steady at Y347, and improving to FFr 11.8175 from FFr 11.81.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. September average 2.6683. Trade-weighted index 127.7 against 131.1. Until the recent easing of U.S. M1 money supply, the D-mark had been at its lowest level against the dollar for nearly ten years, reflecting the large differential in interest rates. However there now appears to be a gradual shift in emphasis towards economic fundamentals with the D-mark looking increasingly attractive.

The dollar lost ground at yesterday's fixing in Frankfurt to DM 2.5850 from DM 2.5965 and there was no intervention by the Bundesbank. Sterling was also lower at DM 3.8350 compared with DM 3.8560 while the Swiss franc dipped to DM 1.2304 from DM 1.2386. Within the EMS the Belgian franc fell to DM 4.9020 per BFr 100 from DM 4.9080 and the French franc eased to DM 32.575 per FFr 100 from DM 32.735.

JAPANESE YEN — Trading range against the dollar in 1983 is 246.90 to 226.80. September average 242.44. Trade-weighted index 152.9 against 145.7. The yen is recovering slightly faster than most European currencies against the dollar. Increased demand has been underpinned by a buoyant equity market and indications of renewed importance being attached to Japan's improving trade performance.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 6	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8634	+2.14	+1.85	±1.5447
Danish Krone ...	8.14104	8.13604	−0.06	−0.35	±1.6425
German D-Mark	2.24184	2.24659	+0.21	−0.08	±1.0642
French Franc ...	6.87456	6.89780	+0.34	+0.05	±1.4052
Dutch Guilder ...	2.52595	2.52393	−0.08	−0.37	±1.4964
Irish Punt	0.72568	0.725641	−0.01	−0.30	±1.6699
Italian Lira	1403.49	1366.24	−2.65	−2.65	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 6.	£	$		£ Note Rates
Argentina Peso...	20.08-20.09	16.485-13.445	Austria............	97.05-27.30
Australia Dollar...	1.6340-1.6360	1.0950-1.0996	Belgium	79.85-80.65
Brazil Cruzeiro...	1,124.35-1,131.70	754.0-756.0	Denmark	13.91-14.05
Finland Markka...	9.3635-8.3780	6.9150-6.9170	France	11.78-11.90
Greek Drachma...	136.90 167.60	02.00-92.50	Germany...........	3.84¼-3.89¼
Hong Kong Dollar	12.76-12.88	8.52-8.97	Italy	2330-2360
Iran Rial........	128.10*	86.96*	Japan..............	647-352
Kuwait Dinar(KD)	0.4358-0.4360	0.29230-0.29245	Netherlands......	4.29¼ 4.66¼
Luxembourg Fr...	78.66-78.65	52.64-52.66	Norway	10.82-10.92
Malaysia Dollar...	6.4050-3.5050	2.3418-2.3435	Portugal...........	183-195
New Zealand Dlr.	2.2650-2.2580	1.5096 1.5115	Spain..............	216¼-231
Saudi Arab. Riyal	0.1695-5.1926	3.4810 3.4813	Sweden............	11.63-11.63
Singapore Dollar	6.16 6.19	2.1316-2.1666	Switzerland.......	6.11¾-3.14¾
Sth. African Rand	1.6640-1.6655	1.1150-1.1160	United States.....	1.48-1.50
U.A.E. Dirham...	5.4740 5.4780	3.6720-3.6750	Yugoslavia........	180-186

* Selling rates.

CURRENCY MOVEMENTS

Oct. 9	Bank of England Index	Morgan Guaranty Changes%
Sterling..............	82.8	−8.7
U.S. dollar............	126.7	+14.5
Canadian dollar....	92.0	+1.1
Austrian schilling.	118.2	+6.6
Belgian franc	01.0	−11.2
Danish kroner	80.7	−4.6
Deutsche mark. ...	127.7	+8.6
Swiss franc........	162.0	+15.6
Guilder..............	116.0	+9.2
French franc	27.0	−14.7
Lira	50.0	−11.2
Yen..................	162.9	+11.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Oct 0	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.716129	0.583626
U.S. $	8½	1.06299	0.670770
Canadian$...	0.49	*	1.07131
Austria Sch	3¾	19.6326	13.7258
Belgian F ...	9	56.0787	45.8634
Danish Kr....	7¼	0.94959	8.13804
D mark	4	2.74785	2.24659
Guilder	5	3.08533	2.52393
French F......	9¼	8.45336	6.89780
Lira	17	1667.30	1366.24
Yen	5¼	247.942	20.2497
Norwgn Kr...	8	7.74813	6.36977
Spanish Pta	—	160.044	131.191
Swedish Kr	9¼	8.25571	6.76717
Swiss Fr	4	0.23292	1.82655
Greek Dr'ch	20½	97.9917	80.2601

*C$/SDR rate for Oct 5: 1.30781.

THE POUND SPOT AND FORWARD

Oct 6	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4890-1.4940	1.4920-1.4930	0.01cpm-0.04dis	−0.12	0.05-0.10dis	−0.20
Canada	1.8325-1.8385	1.8355-1.8365	0.05c pm-0.05 dis	—	0.05pm-0.05dis	—
Nethlnd.	4.31½-4.34½	4.32½-4.33½	1½-1¼c pm	3.81	3½-3¼ pm	3.23
Belgium	78.45-78.90	78.55-78.85	4c pm-6 dis	−0.15	3.13 dis	−0.41
Denmark	13.91-13.98	13.92-13.93	2.25-3.35ore dis	−2.41	4.10-5.25dis	−1.34
Ireland	1.2405-1.2475	1.2425-1.2435	0.30-0.40p dis	−3.38	0.85-1.00dis	−2.96
W. Ger.	3.84-3.87	3.84½-3.85½	1½-1¼pf pm	4.28	3½-3¼ pm	3.61
Portugal	184.00-185.50	184.50-185.00	180-420c dis	−18.84	670-1200dis	−20.24
Spain	224.25-225.25	224.75-225.00	225-305c dis	−14.14	675-835dis	−13.43
Italy	2338-2346	2343-2345	18½-20½ lire dis	−9.85	49-64 dis	−8.79
Norway	10.85-10.88	10.85½-10.86½	3.70-4.50ore dis	−4.53	10.70-11.50d	−4.09
France	11.80½-11.84½	11.81¼-11.82¼	4½-5½c dis	−4.82	17½-18½dis	−6.09
Sweden	11.56-11.59	11.57¼-11.58¼	1.95-2.55ore dis	−2.33	7.15-7.80dis	−2.58
Japan	346-349	346½-347½	0.86-0.75y pm	2.94	2.40-2.20 pm	2.65
Austria	27.02-27.22	27.08-27.13	8½-7gro pm	3.49	25½-20¼ pm	3.37
Switz.	3.11½-3.14½	3.12¼-3.13¼	1½-1¼c pm	6.23	4½-3¾ pm	5.27

Belgian rate is for convertible francs. Financial franc 80.05-80.15. Six-month forward dollar 0.10-0.15c dis, 12-month 0.33-0.43c dis.

THE DOLLAR SPOT AND FORWARD

Oct 0	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4890-1.4940	1.4920-1.4930	0.01cpm-0.04dis	−0.12	0.05-0.10dis	−0.20
Ireland†	1.1985-1.2015	1.2000-1.2010	0.34-0.30c pm	3.20	0.88-0.80 pm	2.80
Canada	1.2300-1.2310	1.2300-1.2305	0.04-0.01c pm	0.24	0.08-0.05 pm	0.21
Nethlnd.	2.8870-2.8075	2.8970-2.8990	1.03-0.93c pm	4.05	2.57-2.47 pm	3.47
Belgium	52.64-52.85	52.64-52.66	2c pm-par	0.23	par-4 dis	−0.13
Denmark	9.3350-9.3875	9.3370-9.3420	1½-2ore dis	−2.25	2½-3 dis	−1.18
W. Ger.	2.5780-2.5825	2.5780-2.5790	0.94-0.89pf pm	4.30	2.38-2.33 pm	3.65
Portugal	123.50-124.30	123.50-123.80	150-350c dis	−24.22	500-800dis	−22.61
Spain	150.50-150.85	150.65 150.75	165-195c dis	−14.33	465-585dis	−13.67
Italy	1,568-1,573	1,570½-1,571½	13-14 lire dis	−10.32	35-38 dis	−0.04
Norway	7.2760-7.2900	7.2760-7.2810	2.50-2.90ore dis	−4.37	7.00-7.30dis	−3.93
France	7.9150-7.9375	7.9185-7.9235	3.10-3.40c dis	−4.92	11.80-12.30d	−6.08
Sweden	7.7570-7.7980	7.7580-7.7610	1.30-1.50ore dis	−2.19	4.60-4.80dis	−2.42
Japan	231.80-233.40	232.20-232.30	0.63-0.58y pm	3.12	1.65-1.60 pm	2.75
Austria	18.14-18.21	18.14-18.15	9.30-5.70gro pm	3.97	15.50-13.50pm	3.20
Switz.	2.0920-2.1045	2.0930-2.0940	1.16-1.11c pm	6.48	2.90-2.85 pm	5.48

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.65-53.70.

EXCHANGE CROSS RATES

Oct. 0	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.493	3.850	347.0	11.818	3.128	4.330	2344.	1.836	78.60
U.S. Dollar	0.670	1.	2.580	232.5	7.916	2.095	2.901	1571.	1.230	52.66
Deutschemark	0.260	0.388	1.	90.13	3.069	0.810	1.125	608.8	0.477	20.42
Japanese Yen 1,000	2.882	4.301	11.10	1000.	34.00	9.013	12.48	6755.	5.201	226.5
French Franc 10	0.846	1.263	3.258	293.9	10.	2.646	3.664	1983.	1.554	66.61
Swiss Franc	0.320	0.477	1.231	111.0	0.779	1.	1.384	749.5	0.587	25.16
Dutch Guilder	0.231	0.345	0.889	80.14	0.729	0.722	1.	541.3	0.424	18.13
Italian Lira 1,000	0.427	0.637	1.642	148.0	5.042	1.334	1.847	1000.	0.783	33.53
Canadian Dollar	0.545	0.813	2.079	189.0	0.437	1.703	2.358	1277.	1.	42.81
Belgian Franc 100	1.272	1.899	4.889	441.5	15.06	3.970	5.509	0982.	2.336	100.

FINANCIAL FUTURES

Prices firmer

Euro-dollar prices rose yesterday in the London International Financial Futures Exchange yesterday. However, closing prices were some way below the best levels of the day. Initial trading saw values marked up in reaction to a firm finish in Chicago. The December price opened at 90.47 up from 90.39 and touched a best level of 90.48 before slipping away to finish at 90.42. Despite the easier trend from the day's highs, underlying sentiment remained bullish with a small figure expected tonight on U.S. M1 money supply. There was also a growing feeling that the Fed would probably maintain a fairly relaxed stance on monetary policy and that U.S. interest rates were likely to ease rather than rise in the near future.

Gilt futures followed a similar pattern, finishing higher than Wednesday's settlement price but down from the day's high. Early gains prompted some profit-taking during the day but this met resistance at lower levels and the December price continued to its underlying strength by finishing at 107-19, having opened at 107-27 compared with Wednesday's close of 107-17. Sentiment was also improved by sterling's better performance against the dollar.

The dollar's weaker trend revived interest in currency contracts, with over 550 lots traded in the D-mark sector, the highest level for over six months. The December price rose to $0.3903 from an opening level of $0.3892 and Wednesday's close of $0.3874. The Swiss franc remained rather neglected while the yen for December delivery strengthened to $0.4325 from $0.4312 previously. Sterling also recorded an improved turnover with the near price finishing at $1.4930 up from $1.4850.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Dec	90.42	90.48	90.41	90.39
March	90.09	90.16	90.08	90.05
June	89.86	89.91	89.85	89.78
Sept	89.59	89.59	89.50	89.58
Dec	89.32	89.33	89.31	89.31

Volume 2,349 (2,130)
Previous day's open int 6,976 (6,816)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
Dec	90.72	90.77	90.72	90.71
March	90.44	90.47	90.43	90.41
June	90.23	90.24	90.22	90.19
Sept	89.97	89.98	89.95	89.89
Dec	89.93	—	—	89.85

Volume 1,071 (655)
Previous day's open int 5,125 (5,167)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Dec	107-19	107-27	107-16	107-17
March	107-06	—	—	107-03
June	106-23	—	—	106-21
Sept	106-09	—	—	106-07
Dec	106-27	—	—	105-26

Volume 2,288 (2,688)
Previous day's open int 3,212 (3,219)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price near futures contract) 12 to 22 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.4930	1.4935	1.4900	1.4850
March	1.4940	1.4940	1.4909	1.4860
June	1.4950	—	—	1.4870

Volume 673 (476)
Previous day's open int 1,112 (1,082)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3905	0.3905	0.3886	0.3874
March	0.3939	—	—	0.3908
June	0.3972	—	—	0.3941

Volume 496 (110)
Previous day's open int 488 (485)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4822	0.4822	0.4808	0.4810
March	0.4886	—	—	0.4874
June	0.4947	—	—	0.4935

Volume 18 (25)
Previous day's open int 128 (124)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4325	0.4325	0.4309	0.4312
March	0.4356	—	—	0.4342
June	0.4391	—	—	0.4377

Volume 151 (13)
Previous day's open int 204 (199)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	73-12	73-19	73-03	73-08
March	72-27	72-30	72-17	72-22
June	72-13	72-15	72-05	72-08
Sept	72-01	72-02	71-25	71-28
Dec	71-23	71-24	71-13	71-16
March	71-14	71-15	71-10	71-10
June	—	—	—	71-03
Sept	—	—	—	70-29
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	91.26	91.30	91.28	91.26
March	—	90.89	90.84	90.85
June	—	90.63	90.98	90.57
Sept	—	90.37	90.37	90.34
Dec	90.16	90.17	90.13	—
March	89.96	89.95	89.92	89.93
June	89.76	89.76	—	89.73
Sept	89.57	89.57	—	89.54

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	90.59	90.62	90.53	90.56
March	90.15	90.20	90.13	90.13
June	—	89.91	89.85	89.87
Sept	89.63	89.93	89.59	89.59
Dec	—	—	—	—

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Dec	90.18	90.21	90.14	90.15
March	89.83	89.85	89.79	89.78
June	89.58	89.60	89.54	89.52
Sept	—	89.32	89.27	89.26
Dec	89.05	89.05	89.04	89.01
March	88.78	88.78	88.78	88.77

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	1.5030	1.5090	1.4905	1.4915
March	1.5045	1.5085	1.4915	1.4920
June	1.5050	1.5050	—	1.4920
Sept	—	—	—	1.4930
Dec	—	—	—	—

GNMA (CBT) 8% $100,000
32nds of 100%

	Latest	High	Low	Prev
Dec	69-05	69-13	68-30	69-08
March	—	68-17	68-02	68-11
June	67-20	67-23	67-14	67-20
Sept	67-04	67-04	66-29	67-03
Dec	66-22	66-22	66-13	66-21
March	—	—	—	—
June	—	—	—	65-31
Sept	—	—	—	65-23
Dec	—	—	—	—
March	—	—	—	—

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INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

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MONEY MARKETS

London rates steady

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

Interest rates were little changed on the London money market yesterday. The Bank of England forecast a money market shortage of £500m in the morning, but this was revised to £550m at noon, and to £600m in the afternoon. Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Friday's tender drained £183m, while the unwinding of bill repurchase agreements absorbed £284m, and Exchequer transactions another £40m.

Total assistance provided by the authorities was £544m, all through outright purchases of bills. Before lunch the Bank of England bought £427m bills by way of £27m bank bills in band 1 (up to 14 days' maturity) at 9⅛ per cent; £64m bank bills in band 2 (15-33 days) at 9 per cent; £171m bank bills in band 3 (34-63 days) at 8½ per cent; £4m Treasury bills in band 4 (64-91 days) at 8¾ per cent; £1m local authority bills in band 4 at 8¾ per cent; and £160m bank bills in band 4 at 8¾ per cent.

In the afternoon another £117m bills were purchased, through £12m bank bills in band 2 at 9 per cent; £2m Treasury bills in band 3 at 8½ per cent; £8m local authority bills in band 3 at 8½ per cent; £5m bank bills in band 3 at 8½ per cent; and £90m in band 4 at 8¾ per cent.

In New York Federal funds remained around 9½ per cent after the Federal Reserve added reserves to the banking system through overnight and five-day repurchase agreements for system account. The five-day agreement was for fixed term to expire when the market reopens next Tuesday after the Columbus Day holiday.

In Frankfurt the Bundesbank did not change its credit policies at yesterday's council meeting. The Lombard rates was increased to 5½ per cent from 5 per cent on September 8, in an effort to control money supply growth, but no further moves are expected at present, and this is helping to keep the D-mark firm on the foreign exchanges against a background of easier U.S. interest rates, and speculation that the Bank of Japan may soon reduce its discount rate by ½ per cent to 5 per cent.

LONDON MONEY RATES

Oct. 6 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight........	—	7-9	9-9⅛	—	—	9-9¼	7-9	—	—	—
2 days notice....	—	—	9⅛-9¼	—	—	—	—	—	—	—
7 days or........	—	—	—	—	—	9¼-9⅛	—	—	—	—
7 days notice....	—	9-9¼	9⅛-9¼	—	—	—	9	—	—	—
One month........	[illegible]	[illegible]	9¼	[illegible]	9¼	[illegible]	9	[illegible]	9⅛	[illegible]
Two months.......	[illegible]	[illegible]	[illegible]	[illegible]	9¼	[illegible]	9	[illegible]	[illegible]	[illegible]
Three months.....	[illegible]	[illegible]	9⅛	[illegible]	[illegible]	9⅛	8⅞-9	[illegible]	[illegible]	[illegible]
Six months.......	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	[illegible]	[illegible]
Nine months......	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year.........	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years........	—	—	10¼-10⅜	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period September 7 to October 4 1983 (inclusive) 2.712 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10½-10¾ per cent; four years 10⅞ per cent; five years 10⅞-11 per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 8[illegible] per cent; four months trade bills 9[illegible] per cent.

Approximate selling rate for one-month Treasury bills [illegible] per cent; two months [illegible] per cent and three months [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent; two months [illegible] per cent and three months [illegible] per cent; trade bills [illegible] per cent; two months [illegible] per cent and three months [illegible] per cent.

Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from October 1, 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 5½ per cent.

Treasury Bills Average tender rates of discount 8.9630 per cent. Certificates of Tax Deposit (Series 5). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-12 months 10 per cent. Under £100,000 9¼ per cent from October 9. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 0	Short term	7 days notice	Month	Three Months	Six Months	One Year
[illegible]						

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)...	9½-9⅝
Treasury bills (13-week)	8.54
Treasury bills (26-week)	8.73

NETHERLANDS

Discount rate	5
Overnight rate	5½-5⅞
One month	5⅞-5⅞
Three months	6-6⅛

FT LONDON INTERBANK FIXING

[illegible]

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

[illegible]

INTERNATIONAL CAPITAL MARKETS

LONG-RANGE THINKING IN EUROMARKETS

Sweden's debt success formula

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THE SUCCESS of Swedeo's recent £500m sterling credit has done more for the Euromarkets than simply reveal a hidden depth to the market for sterling loans. Despite the gloom and doom in Latin America, it demonstrates forcibly that the business of sovereign lending is not as dead as many bankers think.

Sweden is one of the world's most heavily indebted nations. At roughly $3,100 per capita its foreign debt works out four times greater than that of Brazil, and yet Sweden enjoys one of the best credit ratings in the industrialised world. In other words, Sweden has shown that a nation can live with a level of debt that on some yardsticks defies imagination.

The simple explanation for this is that Sweden can cope with this very large debt because its gross national product per capita is also very high. This gives lenders confidence in its ability to repay. But a closer examination of Sweden's record reveals that there is more to its success than that.

Sweden has long established a tradition of being nne of the most sophisticated and innovative borrowers in the international capital markets. In recent years it has been one of the few sovereign borrowers to tap the market for syndicated credits deoominated in Special Drawing Rights, the currency basket of the International Monetary Fund. It was also one of the first to tap the domestic U.S. banking market for loans from regional banks. And this year it breached all previous records with a $1.2bn floating rate oote as well as launching the first ever jumbo credit in domestic sterling.

Other borrowers watch Sweden for ideas oo new techniques. But what of Sweden's own approach to the market? At last week's International Monetary Fund meeting in Washington, Mr Peter Engstrom, chief economist of the Swedish National Debt Office, spelled out some of the country's thinking on its foreign debt.

SWEDEN DEBT MATURITY PROFILE (Swedish kronor bn)*

Total debt end	1982	201.1
Repayment due in		
	1983	19.6
	1984	18.4
	1985	21.4
	1986	34.6
	1987	31.4
	1988	21.6
	1989	19.3

* Figures cover medium and long-term debt of the private sector and are not adjusted for recent prepayment of $400m due in 1987-88. Source: Swedish National Debt Office.

"The key thing is long range thinking," he told the Financial Times. "We have to realise that with a debt of the size that we have, we will have to be in the market for some time even though the net requirement is now falling off very rapidly."

"You can squeeze the price on any nne single transaction, but that may not help in the long run. We want to generate a remunerative long-term relationship with investors and banks," he said.

The table shows that Sweden now faces several years of heavy debt amortization payments although its current account deficit is now dropping rapidly. This year's deficit is expected to be only SKr 10bn to SKr 15bn, well down on the 1982 total of SKr 21bn, and the turnround is even more marked if the totals are measured in appreciating U.S. dollars.

It is a measure of the care with which Sweden watches its debt maturity profile that it recently decided to prepay $400m out of a $1bn jumbo loan with a margin of ¼ per cent arranged in 1978. This will ease pressure of repayment needs in 1987 and 1988, two particularly heavy years.

But, says Mr Engstrom, it's not only a questioo of maturity. Sweden's large needs have compelled it to seek out new markets to avoid saturating any one source of finance. "We don't want bad issues that will come back to haunt us." This explains its quest for innovation which he says, is a question of "chasing the logical conclusions from where the market is and where it would like to go."

Such an approach matters more, he says, than mere currency considerations. Sweden, as a sovereign borrower, cannot hope to match its currency liabilities with assets. The U.S. dollar is the largest international currency, and with a share of roughly two-thirds, makes up the largest share of the country's foreign debt. Its next largest borrowed currency is D-Marks, and sterling makes up a share of only 5 per cent, though that will rise to about 10 per cent once the £500m credit is fully drawn.

Unlike many other borrowers, Sweden does *not* set a borrowing target each year but beavers away at the markets until it has satisfied its needs. It operates much more on a cash-flow basis, and in the Eurocredit market itself prefers the revolving credit instrument as that gives the country a source of finance that can be drawn on at need.

In the first nine months of this year, the Government's net drawings on foreign loans have been only SKr 11.6bn, although gross new contracted borrowing including the sterling credit is much higher at roughly SKr 30bn.

This means it is more concerned with tapping a market when an opportunity opens up rather than waiting for the best currency or interest rate levels to arrive. "We don't try to forecast currency or interest rates," says Mr Engstrom. "It wouldn't suit a borrower who can't match assets and liabilities." He adds, however, that one of the attractions of the sterling credit was Sweden's large trade with Britain which gives the country receivables in British currency.

This is not to say that Sweden immediately jumped at the idea of a sterling credit as soon as Samuel Mootagu, the agent bank, suggested it. "I doubt that we have ever taken a proposal straight and gone to the market with it," says Mr Engstrom. "Most have been the result of rather long discussions, and quite often what we do might be different from what we actually started talking about."

In the case of the sterling credit, this process led to the refinement whereby lending banks start out with a six-year loan that can be gradually extended to give a 12-year life.

Sweden's flexibility in this sort of area is one of the qualities that appeal to lending banks. Samuel Mootagu's chairman, Mr Staffan Gadd, is a Swede and can be forgiven for some hyperbole when he says that this is why "they are fun to do business with."

But his view is also echoed in the Euromarket, just as that of Mr Lars Kalderen, head of the Debt Office, reflects the view of many native Swedes. Looking at Sweden's total debt and its careful management of its debt maturity profile, he says with disarming candour. "We will just have to hope that our children and grandchildren can pay."

French agency in warrant issue

By Mary Ann Sieghart in London

DESPITE Wednesday's rumours of a flood of new issue activity in the Eurodollar bond market, only one deal was launched yesterday: a set of warrants for Caisse Centrale de Co-opération Economique, the French overseas development agency.

A total of 100,000 warrants are on offer to buy $100m worth of 11½ per cent, 15-year CCCE bonds. The warrants are exercisable from January 2 to December 14 of next year and were being offered by Société Générale, the lead manager, at $20 each yesterday.

Dealers reported that the warrants were moving slowly. Some suggested that CCCE would have to pay a coupoo of around 12½ per cent or more on a 15-year bond, so investors are sacrificing more than ¾ point on yield and $20 in cash for a warrant that has only a year's life.

Activity was up in the secondary dollar sector, mainly because the New York market closed higher oo Wednesday night. Prices rose by about ¼ point on the day.

Avco, the U.S. financial services company, is raising C$35m in the Canadian dollar market through a six-year, 13 per cent bond priced at par. The issue is led by Kidder Peabody, together with Salomon Brothers and Wood Gundy and was well received, trading at a discount of about 1⅛ points, within its 1¼-point selling concession.

Ireland, whose recent bulldog bond was reported to be seven times oversubscribed yesterday, is also raising money in the Ecu market. The Ecu 30m bond is for 10 years with an 11⅛ per cent coupon at par. S. G. Warburg is leading the deal with Banque Internationale à Luxembourg and Banque Bruxelles Lambert.

In Switzerland, Kawasaki Kisen Kaisha, the Japanese shipping line, is raising SwFr 70m through an eight-year straight public issue led by Credit Suisse. The bond has an indicated yield of 6¼ per cent.

Prices of seasoned bonds rose by about ¼ point in Switzerland in fairly active turnover.

The secondary market in Germany, though, reacted very favourable to Wednesday's moderate new issue calendar. That with a weaker U.S. dollar and expectations of lower U.S. interest rates, pushed prices up by ½ point.

Dainippon Screen Manufacturing, the Japanese photographic and optical company, is tapping the Swiss market for SwFr 50m in a five-year coovertible private placement led by SBC. The bond has an indicated yield of 3¼ per cent and will be finally priced on October 13.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for October 6.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¾ 90	100	94¾	[illegible]	[illegible]	[illegible]	11.32
Bank of America 8 88 XW	150†*	[illegible]	[illegible]	[illegible]	[illegible]	11.04
Bank of Tokyo Hold 11 90	100	[illegible]	[illegible]	[illegible]	[illegible]	11.83
British Col Hyd 10¾ 88	200	97½	98	[illegible]	[illegible]	[illegible]
C.C.C.E. 11¾ 97	100	95	95½	[illegible]	+1	12.46
Can Imp Bk Com 11 90	75	93	94	[illegible]	[illegible]	12.47
Chicorp O/S 10½ 90	100	93	93½	[illegible]	[illegible]	[illegible]
Coca Cola Int 9⅞ 92	100	[illegible]	[illegible]	[illegible]	0	[illegible]
Cred Suisse BAH 10½ 90	150†	97½	[illegible]	[illegible]	[illegible]	[illegible]
Credit Suisse 10½ 90	100†	[illegible]	[illegible]	[illegible]	[illegible]	10.45
Den Norsk Cred 11¼ 93	50	[illegible]	[illegible]	[illegible]	[illegible]	12.23
Du Pont 11¼ 95	150	[illegible]	[illegible]	[illegible]	[illegible]	11.23
E.C.S.C. 11⅞ 90	75	[illegible]	[illegible]	[illegible]	[illegible]	11.77
E.D.C. 10¾ 88	100	[illegible]	[illegible]	0	[illegible]	11.37
E.D.C. 11¾ 87	100	[illegible]	[illegible]	0	[illegible]	11.39
E.&F. 11¼ 93	100	[illegible]	[illegible]	[illegible]	[illegible]	12.19
E.E.C. 11 97	350	[illegible]	[illegible]	[illegible]	[illegible]	11.14
E.I.B. 10¾ 93	200	[illegible]	[illegible]	[illegible]	[illegible]	11.82
E.I.B. 11 91	125	96	[illegible]	0	[illegible]	11.75
Electrolux 10½ 90	50	92	92½	[illegible]	[illegible]	12.24
Encarch Fin 11⅜ 93	100	[illegible]	[illegible]	[illegible]	[illegible]	12.17
Fuji Int Fin 10⅞ 90	100†	94	94½	[illegible]	+1	12.18
Gen Elec Credit 9¾ 91	100	[illegible]	[illegible]	[illegible]	[illegible]	11.15
GMAC O/S Fin 10½ 90	200	[illegible]	[illegible]	[illegible]	[illegible]	11.18
Honeywell Int 10⅝ 90	100	98	98½	[illegible]	[illegible]	11.11
Indust Bk Japan 10⅞ 88	100	[illegible]	[illegible]	[illegible]	[illegible]	11.36
Japan Air Lines 10⅞ 88	47	[illegible]	[illegible]	[illegible]	[illegible]	11.76
Japan Air Lines 11 93	75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
J. P. Morgan 11⅜ 90 WW	150	[illegible]	[illegible]	[illegible]	[illegible]	11.55
Levi Strauss Int 11 90	75	[illegible]	[illegible]	0	[illegible]	[illegible]
L.T.C.B. 10¾ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
L.T.C.B. 12½ 90	85	103	103½	[illegible]	+1	11.76
Merrill Lynch 10⅝ 90	200	[illegible]	[illegible]	0	[illegible]	11.35
Midland Int Fin 11½ 92	150	[illegible]	[illegible]	0	[illegible]	11.83
Mitsubishi Corp 10½ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	11.83
Mitsubishi Fin 11⅜ 90	100	[illegible]	[illegible]	[illegible]	[illegible]	11.94
Nippon Credit 11 90	100	[illegible]	[illegible]	[illegible]	[illegible]	11.58
O.K.B. 10 91	100	[illegible]	[illegible]	[illegible]	[illegible]	11.73
Ontario Hydro 10⅝ 90	250	[illegible]	[illegible]	[illegible]	[illegible]	11.54
Ontario Hydro 11¼ 89	200	[illegible]	[illegible]	[illegible]	[illegible]	11.11
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Issued	Bid	Offer	Change on day	Change on week	Yield
E.I.B. 8¼ 92	15	[illegible]	[illegible]	0	[illegible]	[illegible]
Japan Airlines 7⅞ 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Zealand 7⅞ 88	15	102	[illegible]	[illegible]	[illegible]	[illegible]
World Bank 8⅛ 92	20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Farm Credit 12¼ 90 C$	75†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Morgan 12¾ 93 C$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TD MTG Corp 12½ 88 C$	40†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Hydro 12¾ 93 C$	60†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Province 12 93 C$	50†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Royal Trstco 12⅝ 88 C$	50†	[illegible]	[illegible]	0	[illegible]	[illegible]
Xerox Canada 12 88 C$	40†	[illegible]	[illegible]	0	[illegible]	[illegible]
E.E.C. 11¼ 93 ECU	10	[illegible]	[illegible]	0	[illegible]	[illegible]
Svenska 11¼ 91 ECU	40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Algemene Bank 8¾ 88 Fl	150	[illegible]	101	[illegible]	[illegible]	[illegible]
Bank Mees & Hope 9 88 Fl	75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Elect Supply 8¾ 88 Fl	75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P.H.P. 8¾ 88 Fl	50	[illegible]	[illegible]	0	[illegible]	[illegible]
Swed Exp Cred 7¾ 88 Fl	100	[illegible]	[illegible]	[illegible]	0	[illegible]
World Bank 9 88 Fl	100	[illegible]	[illegible]	0	[illegible]	[illegible]
O.K.B. 14 90 FF	400	[illegible]	[illegible]	0	[illegible]	[illegible]
Solvay & Cie 14¾ 88 FF	200	[illegible]	[illegible]	[illegible]	0	[illegible]
B.F.C.E. 11½ 88 £	50	[illegible]	[illegible]	0	[illegible]	[illegible]
British Oxyg 11¾ 91 £	60	100	[illegible]	0	[illegible]	[illegible]
CEPME 11¼ 85 £	35†	[illegible]	[illegible]	0	0	[illegible]
E.E.C. 11⅜ 91 £	60	[illegible]	[illegible]	0	[illegible]	[illegible]
Fin For Ind 10½ 90 £	20	94	[illegible]	0	[illegible]	[illegible]
Fin For Ind 12¼ 88 £	80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland Rep 11⅞ 88 £	50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fin Mat Oranj 12⅝ 92 £	30	[illegible]	[illegible]	0	[illegible]	[illegible]
Gen Elec Co 12½ 89 £	50	[illegible]	[illegible]	0	[illegible]	[illegible]
Mort Bk Fin 11¾ 88 £	15	97	[illegible]	[illegible]	[illegible]	[illegible]
Norsk Hydro 12 90 £	30	[illegible]	[illegible]	0	[illegible]	[illegible]
S.N.C.F. 11½ 88 £	30	[illegible]	[illegible]	0	[illegible]	[illegible]
Sweden 11¼ 93 £	50	[illegible]	97	0	[illegible]	[illegible]
Swed Exp Cred 11¼ 88 £	30	[illegible]	98	[illegible]	[illegible]	[illegible]
World Bank 11¼ 88 £	100	[illegible]	[illegible]	0	[illegible]	[illegible]
World Bank 11⅜ 91 £	75	[illegible]	[illegible]	0	[illegible]	[illegible]
Eurofima 11 93 LuxFr	500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS: [illegible]

FLOATING RATE NOTES: [illegible]

CONVERTIBLE BONDS: [illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Osterr Draukraft 6 93	100	[illegible]	103	[illegible]	[illegible]	5.58
Osterr Post 6⅛ 91	100	[illegible]	[illegible]	[illegible]	[illegible]	5.71
Ombec Hydro 5½ 93	100	100½	[illegible]	[illegible]	[illegible]	5.41
Sekisui House 6 93	100	[illegible]	[illegible]	[illegible]	[illegible]	5.91
Sumitomo Heavy Ind 6 91	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sumitomo Metal Ind 6 91	100	[illegible]	[illegible]	0	[illegible]	5.53
Tokyo Elec Power 5⅞ 91	100	[illegible]	101	[illegible]	[illegible]	5.73
Triaic Corp 6¼ 91	100	[illegible]	[illegible]	[illegible]	[illegible]	5.99
World Bank 5⅝ 93	100	[illegible]	[illegible]	[illegible]	+1½	5.71

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

WEEKLY U.S. BOND YIELDS (%)	Oct 5	Sept 28	1983 High	1983 Low
Composite Corp. AAA	11.78	11.88	12.59	10.62
Composite Corp. AA	11.91	12.70	12.83	10.78
Government:				
Long-term	11.21	11.34	11.99	10.18
Intermediate	11.11	11.28	12.03	9.83
Short-term	10.40	10.60	11.26	9.21
Municipal	N/A	9.52	9.86	8.72
Industrials AAA	11.49	11.65	12.38	10.51
Industrials AA	11.70	11.89	12.62	10.72
Utilities AAA	12.03	12.12	12.81	10.73
Utilities AA	12.12	12.26	13.05	10.85
Preferred Stocks	11.07	10.96	11.41	10.59

Source: Standard & Poor's